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32
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1955

AN ESTIMATE OF CHINESE COMMUNIST INTENTIONS • *Remarks by Secretary Dulles* 551

MAN'S BENEFITS FROM THE ATOM • *by Ambassador Morehead Patterson* 553

VISIT OF PRIME MINISTER-MENZIES OF AUSTRALIA • *Addresses by Mr. Menzies and Deputy Under Secretary Murphy* 559

MIDDLE EAST DEFENSE • *by John D. Jernegan* 564

AGREEMENT ON ORGANIZATION FOR TRADE CO-OPERATION AND AMENDMENTS TO GENERAL AGREEMENT ON TARIFFS AND TRADE 577

For index see inside back cover



The Department of State bulletin

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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An Estimate of Chinese Communist Intentions

Remarks by Secretary Dulles¹

I can assure you that I receive this award with a very deep sense of the good will that goes behind it and of the inadequacy of my performance, which you have kindly judged to warrant it. There is one thing to which I should like to allude—you have spoken of my travels around the world. These trips would not have been possible if it hadn't been for my wife's presence on practically all of them, and I am sorry she is not here today. I know she would have been moved to hear the kind words that you have said.

Also, I want to express my recognition of my associates in the Department of State and in the Foreign Service of the United States whose efforts alone have made possible what you have been good enough to call my achievements. Without their dedicated and skilled efforts, it would not have been possible to reach the level of attainment of our foreign policy goals which we have done during the past year. One of the things which I have been able to do on these travels of mine has been to talk face to face with our Foreign Service people in 35 countries (most of which have never been visited by any U.S. Secretary of State), and I have found them universally to be dedicated, loyal, and capable people—many of them functioning under conditions of very real hardships. They deserve the recognition which you are good enough to accord to me.

What you have said in giving me this award is a cause of great encouragement as we face the future. Under today's conditions, there is never time to stop for long to take satisfactions with reference to the past; and it seems that the only

way in which one can recognize progress is the fact that the problems one is working on today are different from those of a little while ago. That is a measure of progress. It also is evidence of the degree to which it is necessary to maintain a sustained effort and sustained courage because the forces that we are up against are not going to retreat easily from the field of battle and allow us to rest on our oars.

Attitude of Chinese Communists

Indeed, I came back from this trip to the Far East with a sense of deep concern. What I learned there about the attitude of the Chinese Communists made me appreciate that they constitute an acute and an imminent threat.

They seem to be dizzy with success. They entertain a very exaggerated sense of their own power, and they gravely underestimate the power and resolution of the non-Communist world.

Their successes, when they are superficially judged, are indeed considerable.

In 1949, they completed the conquest of the China mainland and its nearly 600 million people.

The next year, in 1950, when United Nations forces in Korea were at the Yalu, they entered the Korean war and gained a victory which gave them control of Northern Korea.

In 1951, their armies moved into and seized Tibet.

In 1953-54, they stepped up their aid to their Communist allies in Indochina and helped them to win a spectacular victory over the French Union forces at Dien-Bien-Phu.

Now, they are active in the Formosa Straits, where they have taken by force one of the Nationalist-held islands and have taken others which the Chinese Nationalists voluntarily evacuated.

¹ Made before the Advertising Club of New York at New York City, Mar. 21, 1955, on the occasion of the award to Mr. Dulles of the Club's Bronze Plaque of Achievement.

Advertising Club's Citation

Following is the citation read by Thomas B. Haire, a director of the Advertising Club of New York, when he presented the club's plaque to Secretary Dulles.

A lawyer by profession and an idealist by nature, a prominent and active layman in the Presbyterian Church, he has been guided by Christian principles and a firm belief in the dignity of man.

In spreading this gospel around the world, he has become the world's most traveled statesman of all times and one of the world's greatest salesmen of freedom. With almost complete disregard for his personal life and his physical health, he has driven himself relentlessly in the cause of freedom and world peace.

They are building up their military power in North Korea, in open violation of the armistice terms. They press ominously their campaign of subversion against the free states of Southeast Asia.

They hold and continue to hold United States prisoners of war in flagrant disregard of the Korean Armistice terms, and they have so far rebuffed the efforts of the United Nations to secure their release, despite the fact that the Secretary-General traveled all the way to Peiping on a mission of intercession.

They have contemptuously rejected an invitation to participate in United Nations proceedings, initiated by New Zealand, which were designed to bring about a cease-fire in the Formosa Straits area.

In view of this 6-year record, it is not surprising that the Chinese Communist leaders should feel a certain sense of intoxication. They have, with impunity, three times challenged and rebuffed the United Nations, and they seem to feel that the entire non-Communist position in the Western Pacific, extending from the Aleutians in the north down to Australia and New Zealand in the south, is ripe to crumble under the impact of their successive thrusts.

Contrast to Soviet Communism

The aggressive fanaticism of the Chinese Communist leaders presents a certain parallel to that of Hitler. Also, it contrasts to the past tactics of Soviet communism.

Both the Chinese and the Soviet Communists have, of course, the same ideological motivation, but the manifestations are different.

So far, the expansion of the Soviet Union has been accomplished by coldly calculated and deliberate steps. For the first 20 years after the October Revolution, the Bolsheviks concentrated upon consolidating their internal position. They did not risk external ventures. When they did move outwardly, it was done skillfully under the cover of alliances with the only powers which could have successfully opposed them. Thus, it was under the cover of an alliance with Hitler that the Soviets took their first bite out of Eastern Europe. It was under cover of alliances with Great Britain and the United States that they took their second bite after the German defeat in World War II. They have stated that their program will involve an entire historical era, and so far at least they have not taken reckless risks.

The temperament of the Chinese Communists is different, and while, in the long run, the Soviet method may prove more formidable, yet, in the short run, the Chinese Communist method may prove more dangerous and provocative of war.

Patience of Free Nations

The picture I have to draw is a somber one, but it is by no means a hopeless one. I believe that there is still time to bring the Chinese Communists to a more sober mood. The fact is that their so-called "successes" have not been due to their own strength but to contributing causes. Among these have been the restraint and the patience of the free nations and their love of peace.

These qualities should not be misinterpreted as manifestations of weakness or of fear. The fact is that they stem from strength and resolution which can afford to be patient up to the point where patience is clearly productive only of dangerous misunderstanding and increased risk.

The task of peacefully bringing the Chinese Communists to see that reality is one of the utmost difficulty. A major step in that direction was the action whereby the Congress, with virtual unanimity, authorized the President to use the Armed Forces of the United States in the Formosa area. With national unity under the calm and strong leadership of President Eisenhower, I remain hopeful that peace will yet prevail.

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April

Man's Benefits From the Atom

by Morehead Patterson

U.S. Representative for International Atomic Energy Agency Negotiations¹

This day is a day to remember. It marks the beginning of an extensive, permanent program of international education to apply the knowledge of the atom to the betterment and the improvement of mankind.

You who come from every continent of this earth are true trailblazers in a historic program of peaceful cooperation. Representatives from 20 countries are ready to begin here at the School of Nuclear Science and Engineering a most unique and fruitful program. Highly significant in the operation of this school is its worldwide representation. Let us call the roll of the continents: from Africa, 1—Egypt; from Asia, 6—Indonesia, Israel, Japan, Pakistan, the Philippines, and Thailand; from Australia, 1—a continent itself; from Europe, 7—Belgium, France, Greece, Portugal, Spain, Sweden, and Switzerland; from the Americas (South, Central, and North), 5—Argentina, Brazil, Guatemala, Mexico, and the United States—20 countries, 40 students.

Each of you is a living testimonial to the desire that burns in all the world's people: to help one another toward greater health, security, and well-being. Through your studies here you will have the opportunity to make a substantial contribution toward that end.

The opening of this school is a true realization of the hope that modern man can learn to overcome his fears and his misunderstandings in much the same way that we have learned and are still learning to fathom the infinite mysteries of nature and to apply them to the benefits of all. This School of Nuclear Science and Engineering

equally represents a remarkable advance along the path of international cooperation.

One of the greatest obstacles to the development of the peaceful uses of the atom is the lack of a large enough body of scientists and technicians trained to deal with nuclear materials. We cannot have power plants fed by atomic fuel until we have engineers and technicians who know how to design, build, and operate them.

We must train many individuals all over the world to grasp the problems and to know what is required to work safely and effectively with atomic materials. The number of reactor engineers in the U.S., the United Kingdom, Canada, France, and elsewhere in the free world are all too few. Their numbers must be rapidly increased, especially in those areas where such specialized skills may most readily be put to work.

America's Hatred of War

The existence of this school for the exchange of know-how to the benefit of mankind is typical of the way in which the American people express their deep and genuine hatred of war and all that it implies. War, and especially 20th-century war, must of necessity bring with it the type of political and economic regimentation which is destructive of the finest and most productive values in American life.

American civilization and institutions flourish in peace. On December 8, 1953, President Eisenhower delivered his momentous message to the world—a broad plan for turning the atom to peaceful uses.

It is not enough [he said] to take this weapon out of the hands of the soldiers. It must be put into the hands

¹ Address made at the opening of the School of Nuclear Science and Engineering, Argonne National Laboratory, Lemont, Ill., on Mar. 13.

of those who will know how to strip its military casing and adapt it to the arts of peace.

The United States knows that if the fearful trend of atomic military buildup can be reversed, this greatest of destructive forces can be developed into a great boon, for the benefit of all mankind.

The harnessing of the atom for peaceful purposes is a natural and inevitable step for the American people. The sharing of this knowledge with our friends is natural and inevitable. It was natural and inevitable that the American people should disarm with almost frenzied rapidity after World War II. What other country could have demobilized 8 million men in 10 months? It was also natural and easy for the United States to offer, as they did under the Baruch Plan, to give up their most powerful weapon of war—the atomic bomb—and offer to internationalize atomic energy. And this despite the fact that the United States had a monopoly of that weapon at that time. The sole condition of the offer was that a foolproof system of safeguards be worked out and established internationally.

Those were easy, unhesitating decisions for the American people. The difficult and trying decision is to spend so much time and effort in the sterile business of keeping pace with the warlike gestures and preparations of the aggressors. And, yet, we know that we must do that also for the general security.

We turn most naturally and gratefully to the development of the atom for peace. The impact of the President's December 8 thought was very great. It stirred the imaginations of people all over the world and created a wave of enthusiasm which even a dash of Russian cold water failed to chill.

Optimists and Pessimists

Such was the enthusiasm that many were inclined to underestimate the practical difficulties involved in putting the atom to work. Some concluded that in a very short time—perhaps next month or next year—we would find ourselves in a rose-tinted era of atomic plenty. All of us—in industry, in science, and in positions of public responsibility—have contributed in some measure to the public optimism on how much we can expect from the atom and how soon. Sometimes we compete with one another in prophesying the overnight transformation of every aspect of human life through the application of atomic power.

The free world has not been alone in this. What, for instance, have the Russians to say on this subject? A recent article in the Soviet magazine, *New Generation (Smena)*, says:

The use of atomic energy for peaceful purposes will permit the correcting of many of nature's mistakes . . . the "Turgai Gates" might be blown up to open the way for Siberian rivers to flow south to Central Asia and Kazakhstan.

And again

irrigating such deserts as the Sahara, construction of a colossal power plant in the Straits of Gibraltar, building a dam . . . that would direct the warm streams of the Pacific Ocean to the Arctic Ocean to warm the areas beyond the Arctic Circle.

The article then indicates that all this could happen *immediately*, with one proviso only: It points out that these "earth-shaking schemes will have to wait for the end of capitalism." From what we really know, none of these earth-shaking schemes nor the end of capitalism are imminent.

So much for the optimists.

Now for the pessimists.

A respected political leader in one country suggests that we give up hope of ever being able to solve all atomic problems, that we turn back the clock and that the United States "throw all its atom bombs into the deep Antarctic and begin a new world free from fear." World opinion would force all other possessors of atomic weapons to do the same, he said. Of course this would mean a complete halt to the development of peaceful uses of the atom.

The road which the United States has chosen to follow is not that of unrealizable earth-shaking schemes, nor is it the road of despair which would abandon all hope of progress. We seek to move forward constructively and practically with steady steps toward making the atom a real servant of mankind. Each year will show advances over the previous year.

Nuclear Fuels for Electric Power

In the public discussions on the potentials of the atom the aspect that has attracted principal attention until now is the prospect of cheap and plentiful electric power, using nuclear materials as fuel. The world's energy requirements are rising so rapidly that much of our immediate interest in the atom is concentrated in this field. A good

part of your own time at this school will be devoted to certain aspects of this subject.

The countries which you represent hope to realize as soon as possible many benefits from the development of reliable and economical power plants utilizing nuclear fuels. For each country the timetable of this development will vary. The power requirements of all your countries are increasing rapidly each year. It is possible to estimate with reasonable accuracy the time when it will no longer be possible to expand the conventional sources—waterpower and coal—in pace with the requirements. In most of the countries of Western Europe the problem will become acute in 10 to 15 years. Indeed, Portugal estimates that her requirements are increasing at the rate of 20 percent per year—a 5-year problem.

I am deeply convinced that the atom holds limitless potentialities for human good. Science and industry, hand in hand with government, will level the barriers that stand between us and the economical application of nuclear power. Yet I must sound a word of caution. Every promise has three dimensions, one of which is *time*. "When?" is a most important word. We will bring only disappointment and disillusion if people are persuaded that this is an easy and quick assignment.

Freer exchange of scientific information between our countries—as represented by this school—will hasten the time of success. But we must all realize that great human and material effort must still be exerted before we can tap the atom's full potential. Even when we have succeeded, it will not be the answer to every problem in every corner of the earth.

The Sahara Desert just cannot be made to bloom next year.

The Siberian rivers will not flow south the year after that.

The North Pole need have no fear that man will be able, through the atom, to melt the icebergs of the Arctic Circle in 1958.

Before we can run, we must learn to walk.

Analogy to Aviation

To my mind, the best way to illustrate where we stand today in the realm of atomic power is to draw an analogy between the development of aviation in the early years of this century and the present stage of development of atomic energy.

In the late twenties a wave of enthusiasm swept

the world for the peaceful uses of the airplane. Up to that time the chief developments in aircraft had all been military. Little serious thought had been given to the commercial use of planes. Suddenly, the world saw a tremendous and immediate future for civil aviation.

Magazines were full of articles. Luncheon and dinner speakers painted glowing pictures of the day when every man would fly his own plane to work. Civic planners predicted that congested residential districts, because of the accessibility due to planes, would soon be only a memory. Workers could be scattered over an area of a hundred miles or more and still get to their jobs on time in their personal planes.

The headway in civil aviation has, of course, been impressive. It has brought material benefits to all of us. And yet very few of us can commute to work by air. Railroads, steamers, and buses continue to run, and the use of automobiles has increased many times more rapidly than the use of planes.

The reason why the dreams of the twenties are still only partly realized is a simple one: With aviation, something new was added to the complexities of travel—the law of gravity. Flying is not dangerous. The danger begins when the motor fails and you stop flying. That is when gravity takes over. Ever since the Wright brothers made their first flight, our ingenuity has been focused in two directions: first, on ways to make planes safer and more reliable; and, second, on the training of technicians—the pilots and ground crews. We have made enormous strides in this direction. Today, after 50 years of constant experimentation and improvement, air travel has become so safe that our major airlines fly millions of miles each year without a casualty. They solved the safety problem just as you, and others like you, will solve the problems inherent in the safe application of atomic power. But it took time.

In the first years of powered flight, spanning the whole period from 1903 to 1937, the average increase in speed of aircraft was 12 miles an hour per year. In other words, each year man flew 12 miles faster than he did the year before. In the next 10 years, including the period of World War II, the speed of aircraft went up about 25 miles an hour each year. Since then, with the development of jet engines, the speed has zoomed up 165 miles an hour per year. Some of our pilots have flown 1,600 miles an hour, and the end is not in sight.

The precise timetable of developments in the atomic field will not duplicate our experience in aircraft, but realism requires us to accept the certainty that we will go through a somewhat similar pattern of progress—slow and tentative at first, much more rapid and dependable as we learn the problems and what techniques offer the most effective solutions. We are going to get a great deal from the atom, but it is foolhardy to tell ourselves we are going to accomplish this revolution overnight.

I am confident that the will and the ability to solve the many problems will be found. Indeed, an occasion like this one here today represents the best assurance that the thinking of experts from all nations can and will be focused on prompt and effective solutions. Out of such fine cooperation can come only good.

International Agency

These past months progress in another direction has been made toward international cooperation in peaceful uses of the atom. We have moved forward on the path leading to the creation of an international atomic energy agency as suggested by President Eisenhower. A draft statute for such an agency has been prepared and is presently under active negotiation. Included in this statute are numerous constructive steps suggested during the lengthy and helpful debate on this subject in the last United Nations General Assembly.² While it would be premature to discuss today the details of the proposed agency, I am confident that there will be in existence an active international agency to develop the peaceful uses of atomic energy before the hottest day of summer. I hope that many of you will share in the work of this agency.³

In the future, when we have an international atomic energy agency, I hope that all countries with peaceful atomic know-how, including the Soviet Union, will invite citizens of all other nations to participate in their training programs on an exchange basis. The international agency may have training programs of its own; and thus it can

assist materially in arranging for spreading atomic know-how everywhere.

I congratulate the Atomic Energy Commission for its broad vision in establishing this school. I congratulate the staff of the school for the careful and skillful arrangements which, I am convinced, will make the courses a success. And I congratulate you, the students from foreign lands, who will go back to your countries as pioneers in this great work. I think it is the justifiable hope of the world that as peaceful uses of atomic energy become universal and the power systems of the world become more and more dependent upon it, its destructive use in all-out war may become less likely. In this sense the development of nuclear power will have significance far beyond the economic sphere. In this sense your efforts as pioneers in your countries in this field may well qualify you for the reward promised to "peacemakers." You will be in that enviable position of making the world we live in better, more secure, and healthier. This represents real hope. By exchanging know-how and ideas all men benefit.

By this school and by joint participation we have made a real move toward international cooperation in harnessing the atom for peace. The message of hope which the President of the United States gave to the United Nations a little over a year ago has become today a reality.

Special Assistant to the President for Developing Disarmament Policy

Statement by the President

White House press release dated March 19

The massive resources required for modern armaments, the huge diversion of materials and energy, the heavy burdens of taxation, the demands for years of service of vast numbers of men, the unprecedented destructive power of new weapons, and the international tension which powerful armaments aggravate have been of deep concern to me for many years.

At the same time the tragic consequences of unilateral disarmament, the reckless moves of Hitler when the United States was weak, the Korean aggression when our armed strength had been rapidly diminished, and the vast extent of the armament now centered around the opposing

² BULLETIN of Oct. 4, 1954, p. 471; Nov. 15, 1954, p. 742; Nov. 29, 1954, p. 828; Dec. 13, 1954, p. 918.

³ For details of plans for U.S. participation in the International Conference on the Peaceful Uses of Atomic Energy at Geneva, Switzerland, Aug. 8-20, 1955, see *ibid.*, Mar. 14, 1955, p. 444.

ideology of communism have been equally apparent to me.

The recent session of the Disarmament Commission of the United Nations has again resulted in no progress and no clear crystallization of thinking on this subject. It has an inseparable relationship to our constant objective of peace.

I have, therefore, established a position as Special Assistant to the President with responsibility for developing, on behalf of the President and the State Department, the broad studies, investigations, and conclusions which, when concurred in by the National Security Council and approved by the President, will become basic policy toward the question of disarmament. The position will be of Cabinet rank. When indicated as desirable or appropriate under our Constitutional processes, concurrences will be secured from the Congress prior to specific action or pronouncement of policy.

I have appointed Harold Stassen as a Special Assistant for discharge of this responsibility. He will be expected to take into account the full implications of new weapons in the possession of other nations as well as the United States, to consider future probabilities of armaments, and to weigh the views of the military, the civilians, and the officials of our government and of other governments.

For the time being, and for the presentation of the Mutual Security Program to the Congress, he will also continue to discharge his responsibility as Director of the Foreign Operations Administration, but he will begin this new task promptly upon this appointment.

London Discussions on Disarmament

Statement by Secretary Dulles

Press release 158 dated March 22

I have been asked about the effect of Mr. Stassen's appointment as the President's Special Assistant for disarmament problems on the negotiations now being carried on in the U.N. Disarmament Subcommittee in London.

The discussions in London are continuing and will continue as long as there is the slightest advantage to be gained by further exploration of the subject. The U.S. representative, Ambassador James J. Wadsworth, is ably representing the United States in these discussions. The United

States is faithfully carrying forward its efforts to find a formula for effective and safeguarded disarmament.

Supreme Court Decision on Sovereign Immunity

On March 7, 1955, the United States Supreme Court rendered an opinion in the case of *National City Bank of New York, Petitioner, vs. The Republic of China et al.* This case involved a deposit account of \$200,000 established by the Shanghai-Nanking Railway Administration, an official agency of the Republic of China, with the National City Bank of New York. The agency sought to withdraw the funds, but the bank refused to pay and suit was brought by China in the District Court in New York. The bank counterclaimed for \$1,634,432 on defaulted Treasury notes of the Chinese Government owned by the bank. After China had pleaded sovereign immunity, the District Court dismissed the counterclaims. The bank appealed, and it was held in the Court of Appeals for the Second Circuit that, since the counterclaims were not based on the subject matter of the original suit, it would be an invasion of the sovereign immunity of the Republic of China to allow it to be sued on the counterclaims. The Supreme Court agreed to consider the case because of the importance of the question presented, as well as the fact that it had not previously been considered by the Court.

The Supreme Court, speaking through Mr. Justice Frankfurter, held that the Republic of China could be sued on the counterclaims for any amount not in excess of the original amount sued for. In reaching this decision, the Court had occasion to comment upon the recently enunciated position of the Department of State on sovereign immunity as set forth in the BULLETIN,¹ in which the then Acting Legal Adviser informed the Attorney General that the Department would thenceforth follow the restrictive theory of sovereign immunity in considering requests from foreign governments that a suggestion of immunity be made to a court. While the instant case did not turn on the applicability of the restrictive theory, the Court, nevertheless, cited the Department's let-

¹ BULLETIN of June 23, 1952, p. 984.

ter as an instance of an increasing "chilly feeling against sovereign immunity." The Court was also influenced by the fact that the Department "neither has been asked nor has it given the slightest intimation that in its judgment allowance of counterclaims in such a situation would embarrass friendly relations with the Republic of China." While the Court recognized that the counterclaim was not based on the exact subject matter of the original suit, nevertheless the majority felt that "the ultimate thrust of the consideration of fair dealing which allows a setoff or counterclaim based on the same subject matter reaches the present situation."

There was a dissenting opinion by Mr. Justice Reed, who was joined by Justices Burton and Clark, in which the position was taken that the question involved was not one for decision by the judiciary but rather for Congress or the executive, and that, even if it were a matter for judicial concern, a suit should not be allowed against a sovereign even as an offset to a claim instituted by the sovereign.

Department's Views on ECE Oil Study

The Department of State on March 18 (press release 152) released the following information concerning the publication of a study entitled "The Price of Oil in Western Europe" by the secretariat of the United Nations Economic Commission for Europe.

This study was prepared by the secretariat on its own initiative and was presented by the secretariat to the Coal Committee of the ECE. The Committee did not consider the substance of the study but decided it should be published on the sole responsibility of the secretariat.

The U.S. Government representative on the Coal Committee acquiesced in the decision to publish at this time because of the unauthorized disclosures of the contents which had already occurred. In so doing, the U.S. representative fully reserved the position of the U.S. Government on the contents of the study. The study deals with a complex and highly controversial subject, and its pub-

lication will enable both governments and private groups to undertake such examination and scrutiny as they may choose to give it. Preliminary review of the study discloses significant omissions and errors of fact. The study also appears to suggest the desirability of governmental and inter-governmental controls over oil prices. This would be contrary to U.S. Government policy.

Bonds of Sympathy Between U. S. and Hungarian People

Following is the text of a message sent by Acting Secretary Hoover to the Rt. Rev. Bela Varga, president of the Hungarian National Council, on February 23 in connection with an observance of the Hungarian Day of Independence held at New York City on March 13 by Americans of Hungarian descent and Hungarians in exile.

The efforts and sacrifices made by the people of Hungary in the War of Independence of 1848-49 were viewed, as you know, with warm sympathy by the American people. This was a period in our own history when we were coming of age as a nation and, in keeping with the principles underlying the founding of our Government and society, the American people felt a deep interest in all peoples who aspired to freedom and independence. In the years that followed, the bonds of sympathy between the two peoples were further strengthened by tens of thousands of Hungarian immigrants who, seeking new opportunities in this land of freedom, came to the United States and contributed importantly to our national growth and development and to the enrichment of our culture.

Now, more than a century after the stirring events of 1848-49, I believe we may regard as inspiring and reassuring the fact that, despite all vicissitudes, the people of Hungary and the people of the United States remain staunch friends and continue to find in their common devotion to those high ideals the basis of mutual respect and understanding. From these lasting foundations, across the difficult days which lie ahead, the goals of liberty and justice in the struggle against tyranny come within clear prospect, and we can view the future with quiet resolution and confidence.

Visit of Prime Minister Menzies of Australia

Following are texts of an address made by Deputy Under Secretary Murphy at a dinner meeting of the Australian-American Society in honor of Robert G. Menzies, Prime Minister of Australia, held at New York City on March 7, and of an address made by Mr. Menzies before the House of Representatives on March 16.

ADDRESS OF WELCOME BY DEPUTY UNDER SECRETARY MURPHY

Tonight it is my happy privilege to express a sentiment which I know is in the hearts of all of us here—a warm and cordial welcome to our country's distinguished guest. Mr. Prime Minister, we are delighted that you found it possible to take time out of your busy schedule to pay us this visit. In behalf of our President and our Secretary of State I convey to you their pleasure and satisfaction and that of other members of the American Government who are eagerly looking forward to greeting you in Washington.

I am especially grateful to our hosts this evening, the members of the Australian-American Society, who have brought us together in a gathering which is symbolic of the close friendliness and neighborly understanding which mark the relations between our two peoples. I say "neighborly understanding," well mindful of the fact that Canberra lies some 9,000 miles from Washington and that the airline from San Francisco to Sydney is traced along some 6,500 miles. We do not enjoy with Australia a physical proximity comparable to that we share with Canada, our great and good neighbor to the north. Just as we rejoice in an unfortified frontier with your Commonwealth associate, so are we gratified that no barrier of misunderstanding has been allowed to spring up between us to mar the frank and friendly frontier of the spirit which leads far out across the Pacific and links us with Australia.

That thought recalls those fateful wartime days, when the destiny of the free world hung on its double hinge—the South Pacific and North Africa. Your role was with the former, Mr. Prime Minister; mine, with the latter. The triumph of the Coral Sea and the victories in the Mediterranean laid the solid foundation necessary for the final victories in the north.

The price of those victories, and of others which followed, was high. The supreme sacrifice paid by thousands of your countrymen and mine, together with our allied comrades-in-arms, reminds us unremittingly to be on guard against the hostility of totalitarian thought and action which would rob our countrymen of their priceless individual identity. This identity is a proud heritage, meant for all of us, and inviolably guaranteed to your people and to ours through that remarkable succession of historic developments which we share and which had its great political fountainhead in Magna Carta.

Mr. Prime Minister, in your recent speech at the Australia Club dinner in London, I am told you said very aptly: "We look around the world, as we have been looking around it for 10 disappointing years." But I think you will agree that we do not look around it idly; the glance has become keener, we hope, as we have learned one painful lesson after another. We have learned them together, and we are together shoring up our defenses for the preservation of those rights and freedoms which give meaning to our lives.

I have had the opportunity to know in close association with your Commanding General of the Commonwealth Division in Korea the story of the Australians' valiant contribution to the forces of the United Nations which there halted international communism's wanton aggression. And beyond our Korean association and the close relations between us which resulted from the ANZUS Treaty, we are working with you now in the

Colombo Plan as well as the Manila Pact, both of which are designed to contribute to the security, the economic welfare, and the advancement of freedom among the peoples of the Pacific and of Asia. We have recently reaffirmed, at the meeting of the Council of the Southeast Asia Collective Defense Treaty just held at Bangkok, our intention to take steps toward the realization of the objectives set forth in the defense pact and the Pacific Charter—those of upholding equal rights and self-determination, promoting self-government, securing independence of all countries whose people desire it, cooperating in the economic, social and welfare fields, and preventing and countering any attempts in the treaty area to subvert freedom or to destroy sovereignty or territorial integrity.

The progress achieved at the first Council meeting in implementing all these objectives provides solid hope for even closer cooperation between Australia and the United States and all the other member nations for the good of the region as a whole. At Bangkok it was made clear to the entire world that such military arrangements as the member nations may make will be defensive in accordance with their international obligations and are not for purposes of aggression. We left no doubt of our joint determination to preserve and strengthen the peace.

And so, Mr. Prime Minister, we salute you as an ally and welcome you as a friend. You come to us from a gathering of other friends of ours who comprise your family, the Prime Ministers of the British Commonwealth. We shall have the pleasure and the honor of welcoming you to Washington. May I assure you that the sage counsel you may give us in your consultations there will be received with great interest and deep respect, reflecting, I know, the firm friendship which we truly feel for you and your great country.

ADDRESS BY PRIME MINISTER MENZIES¹

Mr. Speaker, it is almost 5 years since I last stood in this place.² I shall never forget it. I was escorted in by four powerful-looking Members. There were a lot of lights burning. People

were taking pictures and making television. I had gone to great pains to make a few intelligible remarks. I put them down and I found I could not see them. I looked around. I knew there were Members here because I could hear them—but I could not see them. And, apart from my memories, the only souvenir I have is a photograph which shows me leaning forward with my eyes shut and Speaker Rayburn leaning back with his eyes shut.

But, sir, I would not have you think that that was the only memory I really carried away with me because a parliamentary assemblage has one supreme honor within its gift and that is to invite some representative of another country to be present, to which honor you, with infinite courtesy in this somewhat silent land, add the privilege of making a speech, which I am bound to tell you is something we have so far resisted in Australia. But for a representative of Australia to be here twice is a remarkable experience, and I welcome it because for the second time I can perform my true function in this place, and that is the function of speaking as the head of the Government of Australia to a nation which stands so high in the good will and the understanding and the memories of the Australian people.

I am, sir, within the limits of my capacity, a constant exponent of the need for personal contact among peoples of the world, particularly among those who have responsibility. Therefore, I recall with great pleasure the visit of more than one Member of this House and of the Senate to Australia. So much is that the case that this afternoon I have had the fascinating experience of being able to greet quite a few well-known men in this place on terms of old friendship established in my own country.

I very well remember that before the war it was possible to encounter somebody in the United States who did not know where Australia was. A gentleman in San Francisco once assured me that he understood quite plainly it was on the east coast of the United States; a sort of off-shore island. But those days have gone. The war did many terrible things, and it created dangers which have not yet passed, but it did some wonderful things. I do not think anybody will ever be able to estimate the impact upon the Australian mind, and if I may say so, upon yours, of the existence in and around Australia for a long period of time of

¹ Reprinted from *Cong. Rec.* of Mar. 16, p. 2593.

² Mr. Menzies visited Washington in July 1950.

hundreds of thousands of young Americans. So that wherever we in my party go in the United States now we are bound to meet somebody who says: "I was out there with you," or: "My son was out there with you," or: "My nephew," or as the case may be. And this, I believe, has created a distinctive degree of understanding which, as far as I am concerned, always makes it so easy to get along with the people with whom I have to conduct discussions in the United States. In fact, I regret to tell you, Mr. Speaker, that it makes me feel so much at home that I am liable to speak too long when I am on my feet among people whom I feel to be my friends.

It is a very good thing, sir, if I might engage in a small homily, which is an ill reward for your kindness, it is a very good thing to make new friends in the world, and we must never regard the list as exhausted. We must never give up hope that in time to come we will have reached to the true heart of people who are now unavailable to us through some form of dictatorship, and that we may find some friendship with them. The search for new friends must always go on. But it is just as important to remember that old friends must be kept, and that old friends can easily be lost in this world by neglect or by indifference, by misunderstanding. Our opponent in the world understands that to perfection, and he devotes the bulk of his time in propaganda, in seeking to divide us, seeking to set up points of argument, seeking to establish some misunderstanding and every now and then some hostility between the people of the United States and the people of the British Commonwealth. We must constantly be on our guard against it. I have, and you have, from time to time, in this great country of yours read things so violently antagonistic to the British that I could not conceive that anybody except a Communist imperialist could get any pleasure out of it. I have in London, or elsewhere, occasionally read tirades about the Americans, and I have had exactly the same feeling. Of course we are grown-up people. We are adult nations. You are more adult than we are, because we are not so far along the journey of a developing nation. But we are grownup people, and we can afford in the context of our common freedom and our common understanding to discuss, to argue, to persuade, and refute. All of the things that you can engage in in this House, you engage in under the common

enveloping garment of a free democracy, of a free parliamentary system.

It is because of that very freedom, because we take our freedom as a whole for granted in our own countries that we are able to engage in disputes and arguments to our hearts' content. But we know, do we not, that if it comes to the point, all arguments are forgotten. The one thing that comes uppermost is the pride that we have in being one free people in a country of which we are all proud.

I would like to think, sir, that that spirit could pervade the whole of the free world. I would like to feel that in Canberra we could argue with Washington—and we are a fairly argumentative crowd at Canberra—that we could argue with Washington just as London could argue with Washington, just as we could all go on arguing with each other, not as if we were liable to become enemies, but on the footing that our friendship is indestructible and we may, therefore, speak frankly—with affectionate frankness—to each other. When that happens and the whole world knows that the people of the free world are not so easily put asunder by Communist propaganda, I believe that will be the most powerful deterrent weapon that the world will have produced, because the enemy is hoping all the time to divide us.

As I have just had the honor to say in another place, we know, do we not, that should this world pass down once more into the valley of a world war, we know, do we not, that we are all together in it.

Does anybody suppose that in such a catastrophe America would go one way and Australia another? Or Great Britain one way and America another? Not for one moment.

If there is one thing of which I have the most complete assurance in my heart and mind it is that in the supreme test we will be found together, just as surely, sir, as American and Australian troops were found together on the Kokoda trail.

If we remember that truth, that end truth, that ultimate truth, which is therefore the dominating truth of our relationship we then merely behave like intelligent men and women. If we determine that as we shall be together in that event, we shall practice being together every month and every year as time goes on, we shall learn more and more to understand each other, and the funny little differences that exist between us. May I, before I

resume my seat, sir, mention one thing only? It is worth mentioning. In the United States you have as the head of the Government the President. The President, I admit, is not without political problems from time to time, but the President is President for 4 years; and whatever arguments may go on somewhere or other, he is President for 4 years, and, therefore, he has a fixed term and, therefore, a degree of executive authority which no Prime Minister of Australia could possibly aspire to have because the Prime Minister of Australia, I regret to tell you, is not elected for any term of office at all; he is here today and he might be gone tomorrow. It might happen.

These things have been known to happen in the past, oddly enough. Therefore, under our system of government, whatever a prime minister does must, in the first place, be intimately discussed with his colleagues in cabinet. He is not to commit the government to a view which he does not know he can sustain in his own cabinet. And his cabinet is not going to commit itself to a view that it does not believe it can carry through parliament. Therefore we tend to make all our policies by private discussion in the first place, and we produce the chicken fully fledged from the egg in due course. Sometimes it survives and sometimes it does not. Whereas in the United States of America, because of your system, there is a constant hammering out of public policy in committees and in Congress frequently before the point has been reached at which the policy is crystallized. I am not quarreling with your method. I see great advantages in it and some disadvantages. But what I am pointing out is that these are vastly different methods and that unless we understand the other man's method we may easily misunderstand the significance of something that is going on. Somebody reads a speech made in this House or in the Senate, somebody in Britain, somebody in Australia, and says: "I see that American opinion is so and so." But it may not be.

Sir, I have detained the House and trespassed on your patience long enough. I said something about winning new friends, something about the great glories of old friends. I am rather happy to think that I am making my bow to you in this place today as a young friend who happens to be the child of an old friend. I am not at all sure that the children of our old friends are not the most attractive of all.

World Bank Announces Loan of \$54.5 Million to Australia

The World Bank announced on March 18 that an agreement had been signed that day for a loan of \$54.5 million to the Commonwealth of Australia to finance imports of equipment for the development of agriculture, transportation, electric power, and industry. The loan agreement was signed at the Bank's headquarters at Washington by R. G. Menzies, Prime Minister of Australia, and by Eugene R. Black, president of the Bank. The loan is for a term of 15 years and bears interest of 4½ percent including the 1 percent statutory commission charged by the Bank. Amortization will begin March 15, 1958.

The Bank has arranged to sell \$10.4 million of the loan, without its guaranty, to 11 private banks in the United States—the largest number ever to participate in such a transaction with the World Bank. The amount being sold represents the first six maturities of the loan, which fall due from March 15, 1958, through September 15, 1960.

This is the Bank's fourth loan to Australia and brings to \$258.5 million the amount the Bank has lent for the import of capital goods and equipment needed from the dollar area for development in various sectors of the economy of Australia. This loan, like the other three, will benefit both private and public enterprise. Goods imported with the proceeds will be used by farmers, private businesses, and Commonwealth and State agencies.

About \$47 million of the loan has been allocated to agriculture and transportation. Although Australia is a highly industrialized country, agricultural products still account for more than 80 percent of its earnings in international trade. Individual farmers are increasing their agricultural output through more extensive mechanization, and imported machinery and equipment has enabled the Commonwealth and State governments to carry forward programs to intensify land use and increase productivity through reclamation, pasture development, irrigation, water and fodder conservation. The new loan will finance further imports of equipment and machinery for these purposes, largely tractors, combine harvesters, hay balers, and other equipment for fodder conservation.

The remainder of the loan (about \$7.5 million) will be used to buy equipment for power plants and transmission lines and for manufacturing in-

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¹ For
July 1
p. 735

² Ibid

April

dustries. The industrial equipment will be used in iron and steel production, food processing, mining, and automotive and general engineering industries.

Regulating Water Levels on Lake Ontario

The International Joint Commission (United States and Canada) released the following to the press simultaneously at Washington and Montreal on March 16.¹

At its meeting held in Montreal on 14, 15, and 16 March 1955, the International Joint Commission examined with its technical advisers the feasibility of reducing the wide fluctuations of levels (up to 6.6 feet) which have prevailed on Lake Ontario in the past. The Commission came to the tentative conclusion that, having due regard to all the interests concerned, both upstream and downstream from the International Rapids Section, it would be technically feasible to operate the St. Lawrence Power Project so as to reduce the wide range of fluctuations of levels on Lake Ontario.

In order to achieve this desirable result, the Commission's tentative view is that a new method of regulation for the waters used in the project must be substituted for the Method of Regulation Number 5 referred to in the Commission's Order of Approval of 29 October 1952.² The new method of regulation would fulfill the basic requirements of that Order and would comply with the detailed criteria attached hereto. These criteria are designed to result in benefit to all interested parties. They will afford protection for downstream interests and, in fact, would improve conditions on Lake St. Louis. The lakeshore property owners on Lake Ontario will find substantial relief from the high water levels which reached a recorded peak of 249.3 feet. The maximum level under historical supply conditions would under the regulation proposed not exceed 248.0 feet. Navigation interests will gain the advantage of 1.3 feet in depth, which is important under low water conditions, by virtue of raising the extreme low Lake Ontario stage of record from 242.7 feet to 244.0 feet. Water

supply, sanitation, recreational, municipal, and other lakeshore interests will also benefit from this substantial improvement in low water conditions. Finally, the power interests will obtain, under the new method of regulation, a regulated flow of water which will represent an improvement over benefits which might have been calculated under the method contemplated in 1952.

The International Joint Commission has scheduled public hearings to be held in Rochester, New York, on April 12 and in Toronto, Ontario, on April 14 to hear the views of all interested parties on these tentative conclusions.

PROPOSED CRITERIA FOR A METHOD OF REGULATION OF OUTFLOWS AND LEVELS OF LAKE ONTARIO APPLICABLE TO THE WORKS IN THE INTERNATIONAL RAPIDS SECTION OF THE SAINT LAWRENCE RIVER

(a) The regulated outflow from Lake Ontario from 1 April to 15 December shall be such as not to reduce the minimum level of Montreal Harbor below that which would have occurred in the past with the supplies to Lake Ontario since 1860 adjusted to a condition assuming a continuous diversion out of the Great Lakes Basin of 3,100 cubic feet per second at Chicago and a continuous diversion into the Great Lakes Basin of 5,000 c. f. s. from the Albany River Basin (hereinafter called the "supplies of the past as adjusted").

(b) The regulated winter outflows from Lake Ontario from 15 December to 31 March shall be as large as feasible and shall be maintained so that the difficulties of winter power operation are minimized.

(c) The regulated outflow from Lake Ontario during the annual spring break-up in Montreal Harbor and in the river downstream shall not be greater than would have occurred assuming supplies of the past as adjusted.

(d) The regulated outflow from Lake Ontario during the annual flood discharge from the Ottawa River shall not be greater than would have occurred assuming supplies of the past as adjusted.

(e) Consistent with other requirements, the minimum regulated monthly outflow from Lake Ontario shall be such as to secure the maximum dependable flow for power.

(f) Consistent with other requirements, the maximum regulated outflow from Lake Ontario shall be maintained as low as possible to reduce channel excavations to a minimum.

(g) Consistent with other requirements, the levels of Lake Ontario shall be regulated for the benefit of property owners on the shores of Lake Ontario in the United States and Canada so as to reduce the extremes of stage which have been experienced.

(h) The regulated monthly mean level of Lake Ontario shall not exceed elevation 248.0 with the supplies of the past as adjusted.

(i) Under regulation, the frequencies of occurrences of monthly mean elevations of approximately 247.0 and

¹ For background, see BULLETIN of June 9, 1952, p. 903; July 14, 1952, p. 67; Nov. 23, 1953, p. 724; Nov. 30, 1953, p. 735; Aug. 30, 1954, p. 299; and Mar. 14, 1955, p. 437.

² *Ibid.*, Dec. 29, 1952, p. 1019.

higher on Lake Ontario shall be less than would have occurred in the past with the supplies of the past as adjusted and with present channel conditions in the Galops Rapids Section of the Saint Lawrence River.

(j) The regulated level of Lake Ontario on 1 April shall not be lower than elevation 244.0. The regulated monthly mean level of the lake from 1 April to 30 November shall be maintained at or above elevation 244.0.

Middle East Defense

by John D. Jernegan

*Deputy Assistant Secretary for New Eastern, South Asian, and African Affairs*¹

Let me begin by defining the area I propose to talk about. There is no official or generally accepted definition of the term "Middle East," so it is necessary to be somewhat arbitrary. However, I think it is safe to say that when the American Government thinks in terms of Middle East defense it is thinking about the area lying between, and including, Libya on the west and Pakistan on the east, and Turkey to the north, and the Arabian Peninsula to the south.

This area contains great human and physical resources. The population includes some 40 million Arabs, more than one and a half million Israelis, more than 70 million Pakistanis, and about 20 million, each, Iranians and Turks. The vast majority are, of course, Muslims, but these peoples also include important elements adhering to the other two great monotheistic religions, and all of them share in varying degrees a mingled heritage of Eastern and Western culture. Historically, at different times and in different ways, each of the peoples now living in the area has had an important impact on our own Western civilization and has in turn been influenced by the West. Today, each nation and each group of peoples in the area has vitally important relations with nations and peoples outside of the area.

What happens in the Middle East, therefore, cannot be treated as in a vacuum, as an isolated

(k) In the event of supplies in excess of the supplies of the past as adjusted, the works in the International Rapids Section shall be operated to provide all possible relief to the riparian owners upstream and downstream. In the event of supplies less than the supplies of the past as adjusted, the works in the International Rapids Section shall be operated to provide all possible relief to navigation and power interests.

phenomenon. Events in that region have political, economic, psychological, and spiritual repercussions on vast areas of the world. These repercussions are magnified and brought more clearly to the public eye by the existence of the United Nations as a world forum and by the great development in recent years in the means of international communication and the consequent political and economic interdependence of all nations and areas. On top of this, we have the strain between the free world and the Communist world, which has produced a situation in which no area of the world can be regarded as unimportant to the security of the United States.

Our country, in addition, has certain special ties with the Middle East—sentimental ties, if you will. We have a tradition of more than a century of philanthropic work in that area. Our scholars have devoted much time and effort to its archeology and history. Nearly the whole of the American people looks to that area as the birthplace of its religions. Many of our citizens have come from the area, and many Americans have strong ties of family or sentiment with the area. Furthermore, the United States as a nation and many of its citizens as individuals have played a role in bringing about the independence of the new nation states which make up a large part of the Middle East. We have, naturally, a keen and sympathetic interest in the maintenance of their independence and in their progress toward greater economic and social well-being.

¹Address made before the Conference of Jewish Organizations at Washington, D.C., on Mar. 6 (press release 125 dated Mar. 5).

Resources of Middle East

From the aspect of physical resources, the importance of the Middle East to the United States, and to the rest of the world, stands out equally clearly. Its natural resources include some three-fifths of the known oil reserves of the whole world. I need hardly underline the significance of this one fact. Western Europe and much of Asia and Africa depend almost entirely on this source of supply. If this oil ceased to be freely available in world markets, whether in peace or in war, the consequences are easy to imagine. This great natural resource is, obviously, of vital importance to the countries where it is produced as well as to those which consume it. The producing nations derive from it great revenues which hold forth a prospect of major economic and social progress for their peoples.

But oil is not the only resource of the Middle East. The area contains others which can be developed for the benefit both of the area and of the consumers of the world. The most valuable resource of all is in the field of agriculture. Great things have already been done to increase productivity and greater things are to come. Industry is also beginning to develop.

Its function as a communications link, alone, would make the Middle East an area of extreme importance. The Suez Canal is the key to the trade route between Europe and Asia, and the areas to the north and east of the Canal form the path for aerial communication between the two continents.

I am sure you will agree with me—I am sure you already knew—that this area is one whose loss to the free world would be a major disaster. Yet, unless we do something, it is quite possible that this loss will take place.

Traditionally, the Middle East has been an object of Russian ambition. This was true under the Czars, and it has continued to be true under the Soviet regime. It is more than ever true today. Until some 8 or 9 years ago, the Russian drive to the south was contained primarily by the existence of British strength in South Asia and the Near East. Since World War II the basis of British power in this region has been greatly reduced. Britain has withdrawn from the Indian subcontinent and from Palestine, and she is in the process of withdrawing from Egypt. From the long-range political point of view, this with-

drawal was undoubtedly wise and necessary. It has recognized the legitimate political development and aspirations of the peoples concerned and has left them free to pursue their aspirations in their own way, but it has also left them largely defenseless against expansion by a predatory great power. There has been, for some 2 centuries, little or no indigenous defensive strength in the Middle East. Today, that situation still prevails in general despite the elements of strength represented by Turkey and Pakistan and by the small beginnings toward development of such strength in certain other countries. Israel's military strength is already a significant element in the picture.

The United States, conscious of its new responsibilities in the world, has been trying to remedy the weakness of the area. We cannot, and should not, do it in the ways which were customary in the 19th century. Even if our own traditions would permit it, the world has changed too much to make the conquest of foreign lands and the establishment of our forces upon them in defiance of the wishes of their inhabitants a practicable procedure. We have been trying instead to cooperate freely and equally, and on a basis of sympathetic impartiality, with the nations most directly concerned. We began with diplomatic support, both within and outside the United Nations. The outstanding example was furnished by Soviet Russia's attempt to take over Iranian Azerbaijan in 1945 and 1946. The United States, as well as the United Nations, can take considerable credit for the failure of that attempt. Another instance is furnished by the Soviet demands upon Turkey in 1945 and 1946 regarding the Black Sea straits and the Kars-Ardahan area of eastern Turkey. We stood firmly behind Turkey's resistance to these demands. But we soon found that diplomatic support was not enough, and we launched our economic and military aid programs in Greece and Turkey in 1947.

These programs, and others which came later, have contributed greatly to the capacity of the Middle East to resist aggressive pressures. They were followed by the adherence of Greece and Turkey to the North Atlantic Treaty, with the result that a firm barrier was established against invasion of the Middle East from its northwestern corner. Unfortunately, this still does not meet the need. Defensive strength is needed to the east, and it is also essential to have support to the south

in order to provide defense in depth. Recognition of this led the United States and its Western associates to seek in 1951 and 1952 the creation of a "Middle East Command" or a "Middle East Defense Organization." These proposals would have grouped Middle Eastern States in a defensive arrangement with the United States, the United Kingdom, France, Turkey, and certain British dominions. They failed of acceptance because the Middle Eastern States were too preoccupied by their local quarrels and by certain then existing disputes with the West to be willing to join in a general defensive arrangement under Western leadership.

Policy of United States

In 1953 Secretary of State Dulles visited the Middle East. He came to two conclusions: first, that most of the Middle Eastern States were unwilling as yet to associate themselves closely with the West in matters of defense; and second, that any sound organization for defense should spring from the desires of the peoples and governments of the area itself. He further found that certain States, in the main those to the north and east, which were closest to the source of potential danger and therefore most exposed, were most aware of the menace, most likely to do something about it, and also so situated as to provide the greatest measure of protection to the area as a whole. These States included Turkey, Iran, Iraq, and Pakistan. Secretary Dulles laid down the policy that the United States should help to strengthen the interrelated defenses of those countries which want strength, not as against each other but to resist the common threat to all free peoples, including the United States. This remains the policy of the American Government.

What we hope therefore is, first, that all the States immediately concerned will come to recognize that they are in danger from a common source and that this overriding danger arises not from local attacks by their neighbors in the area but from a much greater threat which hangs over them as well as the rest of the non-Communist world. Secondly, we hope for a realization that the first step in meeting this threat should be cooperation among themselves for collective defense. We in this country have long been convinced that such cooperation is the only means of insuring ourselves and our friends against engulfment, but

we cannot impose this belief on others nor can we force others into collective arrangements. They must themselves arrive at the same belief.

As they do arrive at this belief, we stand ready to encourage their own efforts at cooperation among themselves and to help in developing the strength they will need to make their cooperation most effective.

Progress Toward Collective Defense

I have already referred to what has been accomplished by Greece and Turkey. More recently, highly significant and encouraging beginnings have been made in the process of extending the framework of collective defense to other parts of the Middle East.² Last year, Turkey and Pakistan signed, on their own initiative, a treaty which provided for cooperation between the two countries to promote their mutual security. This was followed by the conclusion of a military aid agreement between the United States and Pakistan, which in a sense complemented the already existing military aid arrangements between the United States and Turkey. A little later, Iraq manifested its growing recognition of the need for area security by concluding a similar military aid agreement with the United States. Most recently, on February 24, 1955, Turkey and Iraq signed a treaty of cooperation for mutual defense. Both the Turk-Pakistani and Turk-Iraqi pacts are open to the adherence of other like-minded states.

In the meantime, some of the disputes between Middle Eastern States and Western States have been resolved. In particular, Britain and Egypt have reached agreement on the long-standing question of the Suez Canal base; Iran, Britain, and the United States have successfully worked out a solution to the Iranian oil problem. This has opened the way to further expansion of cooperative security arrangements. Although they are not yet in agreement as to the form it should take, I think most of the Middle Eastern States are coming to feel the necessity for cooperation and that in due course they will associate themselves in one way or another with realistic and effective arrangements for the defense of the area. The American Government will put no pressure

² See also "The Development of United States Policy in the Near East, South Asia, and Africa During 1954: Part III," *BULLETIN* of Feb. 28, 1954, p. 338.

upon them. We prefer that they take their own time and make their own decisions.

You will note that the concept of an area defensive arrangement in the Middle East is still little more than a concept. The new links between Turkey and Iraq and Turkey and Pakistan are still rather vague and general; their operating mechanisms are yet to be created. Also, they are still bilateral rather than regional arrangements. The existing treaties between Britain on the one hand and Iraq, Jordan, Libya, and Egypt are likewise bilateral. American military assistance agreements are in effect only with Turkey, Iran, Iraq, and Pakistan. Neither party is committed by these aid agreements to any military obligations other than the very general ones of refraining from aggression and of being prepared to assist in its own defense and the defense of the free world. Pakistan, of course, is a member of the Manila Pact, just as Turkey is a member of NATO, but these arrangements are directed toward objectives other than the collective defense of the Middle East.

I make this point to emphasize the distance that has still to be traveled before the Middle East can be said to have a defense organization. I also make it to reassure those who fear that the United States is going too far too fast in building up military defenses in an area which has still to achieve political and economic stability. We have not really gone very far, nor are we, even now, moving very fast.

Lack of Unanimity

It is inherent in the nature of any development of this kind that it must move slowly, especially at first. A whole range of problems must be taken into account. These include, first and foremost, the political attitudes of the countries concerned, but they also include their economic situation, their existing and potential military strength, and the resources which the United States and its associates could muster in support. I can assure you that the American Government takes all these considerations fully into account. We are well aware, as I have already pointed out, that there is as yet no unanimity among the States of the Middle East with regard to the nature of the danger they face and the steps needed to meet the danger. We are well aware, too, that military

strength alone is not the answer to their problems, not even the problem of area defense.

They need economic and technical assistance, which we and others are providing and intend to continue to provide. But progress, in our judgment, is being made. Political thought in the area is evolving, by and large, in the direction which we consider sound, and the foundations have been laid, in most cases, for the construction of sound economies. We do not believe we can afford to wait for the solution of all political, economic, and social problems before we look ahead toward a solution of the defense problem. The world situation does not allow such delay. Furthermore, we are convinced that the development of indigenous defensive strength will itself contribute to the solution of political problems. It will give the peoples of the area greater self-confidence as well as greater willingness and ability to cooperate in the collective defense of the area.

Let me repeat that what we are doing is being done with our eyes and minds wide open. We are conscious of the strong tensions which exist between the Arab States and Israel. We also know that there are disputes and divergencies of view among other States of the area, even among the Arab States themselves. The reaction of some Arab States to the conclusion of the recent Turk-Iraqi pact has been one evidence of this. We are therefore being extremely careful that the contributions we make to the military strength of the area go to States which sincerely intend to use them for the purpose of *defending* themselves and their neighbors *against* aggression and not for any aggressive purposes of their own. We insist and intend to insist on guaranties to this effect, in accordance with the terms of our mutual security legislation.

This legislation requires, among other things, that military assistance—

shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements and measures consistent with the Charter of the United Nations. The President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation. . . .

In connection with the military aid agreement with Pakistan, President Eisenhower said: "These

undertakings afford adequate assurance to all nations, regardless of their political orientation and whatever their international policies may be, that the arms the United States provides for the defense of the free world will in no way threaten their own security. I can say," the President continued, "that if our aid to any country, including Pakistan, is misused and directed against another in aggression I will undertake immediately, in accordance with my constitutional authority, appropriate action both within and without the U.N. to thwart such aggression."³

We also believe that the association of Middle Eastern States with each other in bilateral or multilateral defense arrangements directed against aggression from outside the area is, in itself, a safeguard against their involvement in aggressive moves inside the area. Their very willingness to enter into such agreements is an indication that their attention is directed in the right direction, and their association with other States which are more concerned with the world problem than with intra-area disputes is bound to exercise an influence which can only be beneficial from the point of view of area peace and stability.

It is in this framework, primarily in the context of collective defense arrangements, that we intend to provide military assistance where needed to promote the development of sound plans for area defense.

Special Problem of Israel

What I have said so far applies more or less generally to the whole area. It would be unrealistic to pretend, however, that the State of Israel does not constitute something of a special factor and a special problem in the development of Middle East defense. Let us look frankly at the facts. They are very clear. On the one hand, in the past year or so the Government of Israel has made plain its willingness and desire to align itself with the West and to cooperate for the defense of the Middle East against outside aggression. Furthermore, Israel has military forces which could contribute to a considerable degree to the defense of the area. Looking at these two facts alone, it would seem highly logical that Israel should be incorporated in a collective defense arrangement at an early date. But there are other

facts that must be considered. Much as we deplore it, we must admit that the relations between Israel and her neighbors are anything but good. They vary from time to time from a state of quiescent hostility to a condition almost of open warfare. So long as such circumstances prevail, there are lacking the necessary foundations for political cooperation between Israel and those States with which her defense must be linked in the long run. In the absence of political cooperation it is, of course, out of the question to make plans involving military cooperation between Israeli forces and those of her immediate neighbors.

I hope I need not tell you that the American Government is gravely concerned at the existence of this state of affairs. We are always concerned at the existence of conflict anywhere in the world, and we especially regret it in an area such as this, where it constitutes a barrier to the proper organization of collective defense. The desire and the hope of reducing tensions between Israel and her neighbors is never out of our minds. We understand the anxiety felt by the people and the Government of Israel at their continued isolation in the area of which they are a part. We are doing our best to improve relations. It must be realized that this is complicated by the fact that Israel's neighbors are themselves afraid of aggression on the part of Israel. Every act of violence across the frontiers is a setback to progress. The problem is difficult, but I am confident a solution can be found in time.

I should like to say here that in my opinion Israel as a nation is not in danger, except to the extent that all other States in the Near East are in danger from the common threat of outside aggression. Israel is in fact in less danger than some others of those States. She is not directly in the path of possible Soviet aggression, as are those States which Secretary Dulles has called the "northern tier." I have already mentioned that Israel's armed forces would be capable of contributing to area defense against an aggressive great power. Those forces are still more capable of protecting her against a lesser attack. Relative to others in the region, the Israeli military establishment is highly developed, and it enjoys the advantage of holding interior lines.

What is even more important, I do not see evidence of any intent on the part of her neighbors to attack Israel.

³ *Ibid.*, Mar. 15, 1954, p. 401.

In my view, all this means that we can and should move forward slowly but steadily toward the goal of general Middle East defense, taking one step at a time and avoiding hasty action which would weaken or bring down, before it is fairly begun, the structure which we hope to see created.

We should continue to let the nations of the Middle East take the lead in establishing their own cooperative arrangements. We cannot profitably push any one or more of them into arrangements which they dislike. We can, however, seek to help them along the paths they may choose when those run in a direction we consider helpful to our mutual security, and we can help to fill gaps which may appear in the defense framework as it evolves.

There are many possible forms which a Middle East defense arrangement could take. It might be a single structure, or it might consist of two or more separate but related units. It might be restricted entirely to States in the area itself, assisted and supported in some fashion by States outside the area, or it might include among its members those Western States which have the desire and ability to work directly for the defense of the area. It is too early to make sound forecasts as to the character which organization for collective defense in this region may assume. Nevertheless, I think it is safe to predict that the concept of collective defense will take material shape in the not-too-distant future and that this will rebound to the benefit of all the States in the Middle East as well as the United States.

FOA Aid to Viet-Nam, Cambodia, and Laos

The Foreign Operations Administration on March 9 announced that a \$100 million program of economic and technical assistance for Viet-Nam, Cambodia, and Laos has been approved for the year ending June 30, 1955.

The program includes \$45 million for "Operation Exodus"—the evacuation and resettlement of more than half a million refugees from Communist-controlled northern Viet-Nam¹—and \$55 million to strengthen the economies of the three countries and assist them in withstanding continuing Communist pressure.

¹ BULLETIN of Feb. 7, 1955, p. 222.

Emphasis is on resettlement of refugees; the improvement of agriculture, education, health and sanitation, public administration, and public information services; and development of transportation and communication facilities, industry, and natural resources.

Specific projects are being developed on an expanded basis through recently established separate FOA missions in each country. The programs for the three States, prior to last November, had been carried out through the FOA mission in Saigon.

Barter Authority Under Agricultural Trade Act

The White House on March 2 released to the press the following memorandum from J. Lee Rankin, Assistant Attorney General, to Gerald D. Morgan, Special Counsel to the President.

This is in reply to Mr. Shanley's¹ memorandum of January 12, 1955, requesting my opinion on whether the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Congress) authorizes trading, including barter, in surplus agricultural commodities, directly or indirectly with the Soviet Bloc countries.

Section 2 of the Act declares it to be "the policy of Congress to expand international trade among the United States and *friendly nations* . . . to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor." [Emphasis supplied by Mr. Rankin.]

Section 107 of the Act specifically defines "friendly nation" as follows:

As used in this Act, "friendly nation" means any country other than (1) the U.S.S.R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

¹ Bernard M. Shanley, Counsel to the President until Feb. 19. His memorandum of Jan. 12 is not printed.

Section 304 of the Act provides:

The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U.S.S.R. or nations dominated or controlled by the U.S.S.R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

When the definition of the term "friendly nation" is read in conjunction with Section 2 of the Act and the express direction to the President in Section 304, it scarcely seems that Congress could have been more explicit in excluding the Soviet Bloc countries from the authorized activities within the declared policy and purposes of the Act. I find nothing in the specific sections authorizing particular kinds of transactions, in the legislative history, or in pertinent provisions of other acts, as amended or incorporated by this Act, as hereinafter discussed, which alters this conclusion.

An observation seems appropriate at this point. The coverage of the Act as described in Section 106 is:

As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture. [Emphasis supplied by Mr. Rankin.]

In this section, Congress has by definition excluded from the meaning of the term "surplus agricultural commodity" as used in the Act, anticipated exports of agricultural commodities for dollars as determined by the Secretary. This would seem to eliminate from the intended coverage and prohibitions of the Act agricultural commodities which the Secretary determines, among other things, will be exported for dollars and which are so exported.

I turn now to the Act's specific provisions with respect to trading in commodities within its coverage. Section 101 of the Act, which authorizes sales of surplus agricultural commodities for foreign currencies, provides in material part:

In furtherance of this policy, the President is authorized to negotiate and carry out agreements with *friendly nations or organizations of friendly nations* to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and

(e) afford any *friendly nation* the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act. [Emphasis supplied by Mr. Rankin.]

As Mr. Shanley indicated in his memorandum, the express terms of the authorization of this section would seem to leave no doubt that Congress intended and provided that surplus agricultural commodities should not be sold directly or indirectly to Soviet Bloc countries for foreign currencies. It might be added parenthetically that consistently with the declared policy of the Act and the express terms of the section, the direction of subsection (d) to secure commitments against resale or transshipment of commodities sold apart from specific approval of the President should probably be construed to imply only that such resales or transshipments would be authorized to other friendly nations, not to Soviet Bloc countries with the approval of the President.

This brings me to the specific questions with respect to barter transactions. The barter provisions are contained in Sections 302 and 303 of the Act. Section 302 amends Section 416 of the Agricultural Act of 1949 (7 U. S. C. 1431), among other things, to establish barter as a priority surplus agricultural commodity disposal method (H. Rept. No. 1776, 83d Cong., 2d Sess., p. 10). The legislative purpose in amending the earlier act was directed to ends other than carving out an exception to the policy of the act limiting its operation to trade with friendly nations. This is plainly shown by the House Committee's explanation of the action. (*Ibid.* pp. 9-10; see to similar effect H. Rept. No. 1947 (Conference Report, 83d Cong., 2d Sess., p. 9)). Section 303 provides in pertinent part:

Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for (a) strategic materials entailing less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods or equipment

required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs, he is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private trade channels, such barter or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barter or exchanges.

Again both the House Committee Report and Conference Report indicate that the considerations which prompted this provision were divorced from any question of relaxation of the general prohibition against trading with the Soviet Bloc. The House Report explains the provision at p. 10 as follows:

This section implements existing barter authority by establishing a policy of encouraging and assisting exchanges of surplus agricultural commodities for strategic materials when such an exchange will protect the funds and assets of the Commodity Credit Corporation. Most agricultural commodities, even those classified as "storable", deteriorate measurably in storage. In addition, storage charges on most agricultural commodities are relatively high. Even in the case of grains, for example, the storage charges add up to the value of the commodity in 8 to 10 years. On many of the perishables, the rate is much higher. The Secretary of Agriculture reported to the Committee that Ccc is now spending more than \$700,000 per day for the storage of its commodities.

It would seem to the committee, therefore, to make extremely good sense to take advantage of opportunities which might present themselves to exchange these commodities which are subject to deterioration and costly to store for strategic materials, most of which do not deteriorate and which cost relatively little to store.

Although barter of surplus agricultural commodities for critical and strategic materials is specifically contemplated and authorized by the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act, the Department of Agriculture has participated in relatively few such transactions and, apparently, had taken an attitude discouraging, rather than encouraging, the making of such exchanges.

Among other deterrents to an effective barter program, the Department has maintained the policy of declining to accept in trade for its agricultural surplus any strategic materials that it did not have an immediate sale for to the appropriate Government agency. While not criticizing the Department for this attitude (since there was no legislative policy statement to guide it) the committee believes that the funds and assets of the Ccc can be much better protected by exchanging, when the opportunity offers, some of its costly to store agricultural surplus for nondeteriorating, easily stored strategic materials, even though these may have to be held for some time as the property of the Ccc. Indeed, to refuse to make such exchanges simply because no Government agency is in a

position at the moment to buy the strategic materials from the Ccc, is to negate the very reason for barter—which is an exchange of materials for materials when money with which to purchase such materials is unavailable or is less useful than materials.

On the other hand, as we have seen above, section 304, a provision of general application, immediately following the barter provisions in the context of the act, directs in mandatory language that "The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations."

The unmistakable thrust of that provision, even standing alone, which is not the case, is to inhibit any action by the President under the statute which does not assist friendly nations to be independent of trade with the Soviet Bloc and assure against increased availability of commodities to that Bloc. It seems self-evident that direct or indirect barter of surplus agricultural commodities with the Soviet Bloc might run afoul of the first standard, dependent on the facts, and would necessarily conflict with the second.

Such barter would, therefore, not be authorized unless Congress intended to exempt it from the application of those standards. But there seems no persuasive reason to believe that Congress did so intend. It might be suggested that the limitation of Section 304 is in terms upon the President's authority under the Act and, hence, should not be read as a limitation on the barter authority granted by Sections 302 and 303 to the Secretary. But in the context of this Act and the subordinate relationship of the Secretary to the President, the suggestion seems without substantial force.

It would be unreasonable to suppose that Congress intended to provide mandatory standards to govern the President's exercise of discretion with respect to all kinds of transactions authorized by the Act in order to effectuate its declared policy, but, without saying so plainly, intended to give the Secretary, the President's subordinate officer, a free hand to frustrate that policy. It would seem more reasonable to believe that Congress lodged the barter authority under the Act in the Secretary because it was in him under cognate

provisions of other statutes and for practical reasons of administration, but intended the Secretary's use of that authority to be governed by the same legislative standards provided for the President. So, too, it might be urged that Congress did not intend the limitations of Section 304 to apply to barter transactions because it did not expressly say so. Such a position does not seem tenable on the basis of what Congress did say.

The descriptive language used was "agricultural commodities sold or transferred hereunder," expressed in the disjunctive. It would seem difficult reasonably to maintain that commodities bartered under the Act were not "transferred hereunder" within the meaning of that language. Moreover, when considered in relation to the manifest legislative purpose with respect to all other trading with the Soviet Bloc the argument would seem to be definitely foreclosed.

For all the foregoing reasons, in the absence of any specific application of the statute to any particular state of fact, it is my opinion that any direct or indirect trade, including barter under the Act, with the Soviet Bloc, would be prohibited. Since the legislative history of the Act indicates quite plainly that Congress reexamined deliberately the barter authority theretofore granted in Section 416 of the Agricultural Act of 1949 and in Section 4 (h) of the Commodity Credit Corporation Barter Act, as amended, 15 U. S. C. 714 (b), in order to conform such authority to the policies and purpose of this Act, to the extent, if any, that the barter provisions of those statutes may be in conflict with this Act, it is my view that they would be superseded.

Need for Extending Trade Agreements Act

Statement by Secretary Dulles¹

I appear before your committee to express my conviction that the Trade Agreements Act should be extended for 3 years by the enactment of H. R. 1.

¹ Made before the Senate Committee on Finance on Mar. 14 (press release 144). For text of a statement made by the Secretary before the Ways and Means Committee of the House of Representatives concerning H. R. 1 and for texts of letters from the President and the Secretary to congressional leaders on this subject, see BULLETIN of Jan. 31, 1955, p. 171; Mar. 7, 1955, p. 388; and Mar. 14, 1955, p. 443.

I do not appear as an expert on tariff matters. I depend on others to advise me as to the intricacies of this highly technical field. I do feel able, on my own responsibility, to inform you as to the bearing of the pending legislation upon the international situation.

H. R. 1 would continue a policy which was inaugurated many years ago. The heart of that policy is recognition that our foreign trade is a matter of international concern and that accordingly a limited discretion to deal with tariffs should be given the President as the person who, knowing both domestic and international factors, can best judge what will serve the welfare of our Nation.

Under this policy, the United States has prospered and our economic ties with friendly countries have been greatly strengthened. Our commercial exports and imports have risen to an all-time high.

Today, trade with the United States is vital to the economic well-being of most of the free nations, and especially to our allies.

If the United States were now to abandon the policy which has so well served our own country and others, the international repercussions would be major and their consequences would be grave.

The strategy of international communism is to divide the free nations, so that they can be taken over piecemeal. As against that strategy, the United States has espoused the policy of collective security. We have sought to develop a spirit of partnership as between the free nations, so that each will strengthen the other and provide a cohesion which can withstand assaults from without and within.

The collective security we seek depends partially upon collective military measures. However, the menace is as much from subversion as from open armed attack, and in any event military arrangements are never dependable unless they rest on a foundation of economic health and mutual respect.

Our concern for the good health and the respect of other free peoples is most of all represented by our trade policies. These are far more significant than our so-called "aid" policies. Thus, our Trade Agreements Act is not a mere piece of technical domestic legislation. It is a symbol of worldwide importance. The Trade Agreements Act symbolizes a willingness of the world's greatest economic unit to follow a self-interest that is enlightened by

a decent regard for others whose destiny has become inevitably interlocked with our own.

I do not believe that any Member of Congress judges the danger from international communism to be past or, indeed, to be lessened. There was virtual unanimity in the Congress when it recently recognized that the threat from Communist China was so grave that it had become appropriate to authorize the President to employ the armed forces of the United States in the Formosa area.²

Within the Soviet Union, the decision has been taken to deny the people the consumers' goods they badly need, in order that priority should be given to war industries.

Both in Europe and in Asia international Communist leadership expresses itself in a manner that is increasingly threatening. It is seeking with renewed intensity to press issues which could divide the free nations.

I returned last week from Asia encouraged by the determination of our Asian friends to remain free. But also I returned vividly conscious of the massive malevolence represented by Chinese communism and its determination to extend its domination until it is stopped by superior force backed by a resolute will.

The need for allied unity remains great and the strains placed on that unity are severe. Under all the circumstances, I deem it of the utmost importance that the United States should continue the present trade agreements policy, which takes account of our international relations.

It is understandable that there is, in the Congress, some reluctance to delegate to the President a discretion the use of which might affect adversely certain particular business activities. I was myself a Senator long enough to appreciate the reasons for such concern. Each Senator and each Representative properly knows, and is sensitive to, business and employment conditions within his particular State or District.

But it is not possible for every Senator and Representative, or for the Tariff Commission, to know with intimacy the international implications of our trade policies. Oftentimes, indeed, these implications are so delicate that they cannot be publicly discussed without endangering the security interests of the United States.

One man, and one man alone, is so situated as to have the complete, overall picture. He is the

President of the United States. He comprehends both the domestic and international aspects of the problem. If the President is not entrusted with discretion within the closely prescribed limits contemplated by H. R. 1, then that means that the tariff policy of the United States will be operated without due regard to international considerations. That will inevitably endanger our Nation.

I am well aware of the fact that in this situation the Department of State plays an unpopular role. Each Department concerned with foreign trade has a duty to advise with respect to the aspects falling within its particular jurisdiction. That leaves it to the State Department to advise with reference to the international factors that are involved.

We would all feel happy if the international situation were such that international factors could safely be ignored and if the United States could prudently act with exclusive regard to domestic factors.

Even if that happy situation existed, it could, nevertheless, be powerfully argued that the Trade Agreements Act should be extended, because it promotes essential exports of agricultural and manufactured goods and consequent gainful employment. However, others are more competent than I to present that case. My responsibility is to advise you that, quite apart from domestic considerations, major international factors are involved.

Someone must have the duty of presenting this aspect of the matter. It is not a pleasurable duty. But it is a duty which has to be performed lest inadvertently the United States should take action which will lead it into grave peril.

It is in performance of that duty that I urge extension of the Trade Agreements Act by enactment of H. R. 1.

Current Legislation on Foreign Policy: 84th Congress, 1st Session

Investigation of Technical Assistance and International Peace Programs by the Senate Committee on Foreign Relations. Report to accompany S. Res. 36. S. Rept. 23, January 28, 1955. 2 pp.
Special Study Mission to Cuba. Report by Albert P. Morano, Connecticut, of the House Committee on Foreign Affairs. H. Rept. 22, February 7, 1955. 16 pp.
Mutual Defense Treaty with the Republic of China. Report of the Senate Committee on Foreign Relations on Executive A. S. Exec. Rept. 2, February 8, 1955. 15 pp.

² *Ibid.*, Feb. 7, 1955, p. 211.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings¹

Adjourned During March 1955

GATT: 9th Session of the Contracting Parties	Geneva	Oct. 28-Mar. 7
U.N. Trusteeship Council: Standing Committee on Petitions	New York	Jan. 10-Mar. 15
U.N. Trusteeship Council: 15th Session	New York	Jan. 25-Mar. 17
ILO Governing Body: 128th Session (and Committees)	Geneva	Feb. 21-Mar. 5
South Pacific Commission: Consultation with U. S. Senior Commissioner	Washington	Mar. 2-5
Frankfort International Fair	Frankfort	Mar. 6-10
FAO Working Party on Olive Oil	Rome	Mar. 7-18
UNICEF Executive Board and Program Committee	New York	Mar. 7-16
U.N. Economic Commission for Europe: Coal Committee	Geneva	Mar. 8-10
12th Textile Conference and Industrial Exhibition	Calcutta	Mar. 8-28
57th Verona Agricultural Fair	Verona	Mar. 13-21
FAO Working Party on Calculation of Future Scales of Contributions	Rome	Mar. 14-18
U.N. Ecosoc Population Commission: 8th Session	New York	Mar. 14-25
U.N. ECAFE Committee on Industry and Trade: 7th Session	Tokyo	Mar. 15-24
U.N. Economic Commission for Europe: 10th Session	Geneva	Mar. 15-30
Inter-American Conference on Social Security: 5th Session	Caracas	Mar. 16-26
Working Party on Draft Convention for the Protection of Performing Artists, Manufacturers of Phonograph Records, and Broadcasting Organizations	Paris	Mar. 17-24

In Session as of March 31, 1955

ICAO Council: 24th Session	Montreal	Jan. 25-
ICAO Air Navigation Commission: 18th Session	Montreal	Jan. 25-
ICAO Air Transport Committee: 24th Session	Montreal	Jan. 26-
GATT Tariff Negotiations with Japan	Geneva	Feb. 21-
U.N. Disarmament Commission: Subcommittee of Five	London	Feb. 25-
U.N. Ecosoc Commission on Status of Women: 9th Session	New York	Mar. 14-
UNESCO Executive Board: 41st Meeting	Paris	Mar. 21-
ITU International Radio Consultative Committee (CCIR): Study Group I	Brussels	Mar. 22-
ITU International Radio Consultative Committee (CCIR): Study Group XI	Brussels	Mar. 22-
U.N. Economic Commission for Asia and the Far East: 11th Session	Tokyo	Mar. 28-
U.N. Economic and Social Council: 19th Session	New York	Mar. 29-

Scheduled April 1-June 30, 1955

U.N. Ecosoc Commission on Human Rights: 11th Session	Geneva	Apr. 5-
FAO Asia-Pacific Forestry Commission: 3d Session	Tokyo	Apr. 9-
FAO Desert Locust Control Committee: 1st Session	Rome	Apr. 12-
International Union of Biological Sciences: 12th General Assembly	Rome	Apr. 12-
ICAO Legal Committee: Subcommittee on Negotiability of the Air Waybill	Madrid	Apr. 12-
WMO Executive Committee: 6th Session	Geneva	Apr. 12-
33d International Milan Samples Fair	Milan	Apr. 12-

¹ Prepared in the Office of International Conferences, Mar. 25, 1955. Asterisks indicate tentative dates and places. Following is a list of abbreviations: GATT, General Agreement on Tariffs and Trade; U.N., United Nations; ILO, International Labor Organization; FAO, Food and Agriculture Organization; UNICEF, United Nations Children's Fund; Ecosoc, Economic and Social Council; ECAFE, Economic Commission for Asia and the Far East; ICAO, International Civil Aviation Organization; UNESCO,

United Nations Educational, Scientific and Cultural Organization; ITU, International Telecommunication Union; CCIR, International Radio Consultative Committee (Comité consultatif internationale des radio communications); WMO, World Meteorological Organization; ICEN, Intergovernmental Committee for European Migration; PASO, Pan American Sanitary Organization; IASI, Inter-American Statistical Institute.

Calendar of Meetings—Continued

Scheduled April 1–June 30, 1955—Continued

5th International Congress of Onomastic Sciences	Salamanca (Spain)	Apr. 12–
World Meteorological Organization: 2d Congress	Geneva	Apr. 14–
U.N. Trusteeship Council, Committee on Information from Non-Self-Governing Territories: 6th Session.	New York	Apr. 15–
FAO: 3d Inter-American Meeting on Livestock Production	Buenos Aires	Apr. 18–
U.N. International Technical Conference on the Conservation of the Living Resources of the Sea.	Rome	Apr. 18–
U.N. Ecosoc Commission on Narcotic Drugs: 10th Session	New York	Apr. 18–
ICEM Executive Committee: 2d Session	Geneva	Apr. 21–
7th Liège International Trade Fair	Liège (Belgium)	Apr. 23–
ITU Administrative Council: 10th Session	Geneva	Apr. 23–
Brussels International Trade Fair	Brussels	Apr. 24–
Lyon International Fair	Lyon	Apr. 24–
FAO International Poplar Commission: 8th Session	Madrid	Apr. 25–
ICAO Meeting of Medical Experts on Hearing and Visual Requirements for Aviation Personnel Licenses.	Paris	Apr. 25–
Committee of Experts to Prepare for International Conference for Revision of the International Convention on Industrial Property.	Lisbon	Apr. 25–
PASO Executive Committee: 25th Meeting	México, D.F.	Apr. 25–
ILO Petroleum Committee: 5th Session	Caracas	Apr. 25–
8th International Cannes Film Festival	Cannes	Apr. 26–
ICEM Council: 2d Session	Geneva	Apr. 27–
Inter-American Indian Institute: Meeting of Governing Board	México, D.F.	April–
British Industries Fair	London	May 2–
U.N. Ecosoc Social Commission: 10th Session	New York	May 2–
International Oil Exposition	Houston	May 3–
U.N. Economic Commission for Europe: Meeting of Steel Committee.	Geneva	May 3–
WMO Executive Committee: 7th Session	Geneva	May 3–
Japan International Trade Fair	Tokyo	May 5–
U.N. High Commissioner for Refugees, Executive Committee: First Session.	Geneva	May 10–
West Indian Conference: 6th Session	San Juan (Puerto Rico)	May 10–
World Health Organization: 8th Assembly	México, D.F.	May 10–
Paris International Fair	Paris	May 14–
Caribbean Commission: 20th Meeting	San Juan (Puerto Rico)	May 16–
U.N. Economic and Social Council: Resumed 19th Session	New York	May 16–
FAO Commodity Problems Committee: 25th Session	Rome	May 23–
ILO Governing Body: 129th Session	Geneva	May 23–
10th International Mediterranean Fair	Palermo	May 24–
International Sports Exhibition	Turin	May 24–
33d International Fair of Padua and 4th International Packing Salon.	Padua	May 29–
Canadian International Trade Fair	Toronto	May 30–
5th World Congress on Large Dams	Paris	May 31–
ICAO Assembly: 9th Session	Montreal	May 31–
U.N. Economic Commission for Latin America: Committee of the Whole.	Santiago	May–
Barcelona International Trade Fair	Barcelona	June 1–
ILO Annual Conference: 38th Session	Geneva	June 1–
WMO Executive Board: 16th Meeting	México, D.F.	June 1–
IASI Committee on Statistical Education: 1st Session	Quitandinha	June 3–
IASI Committee on Improvement of National Statistics: 3d Session.	Quitandinha	June 3–
FAO Council: 21st Session	Rome	June 6–
U.N. ECAFE Committee on Industry and Trade: 6th Session of the Subcommittee on Iron and Steel.	Bangkok	June 6–
4th World Petroleum Congress	Rome	June 6–
Agriculture Show	Denbigh (Jamaica).	June 8–
U.N. Trusteeship Council: 16th Session	New York	June 8–*
Inter-American Statistical Institute: 3d General Assembly	Quitandinha	June 9–
Third Inter-American Statistical Conference	Quitandinha	June 9–
21st International Aeronautical Exhibition	Paris	June 10–
ICAO Airworthiness Panel: 2d Meeting	(Undetermined)	June 14–
International Discussion on Combustion	Cambridge, Mass.	June 15–
International Cotton Advisory Committee: 14th Plenary Meeting.	Paris	June 20–
United Nations: 10th Anniversary Commemorative Meeting	San Francisco	June 20–
International Statistical Institute: 29th Session	Quitandinha	June 24–
International Commission for Northwest Atlantic Fisheries: 5th Annual Meeting.	Ottawa	June –
International Technical Conference on Lighthouses and Other Aids to Navigation.	The Hague	June –

U.S. Delegations to International Conferences

U.N. Commission on Human Rights

The Department of State announced on March 24 (press release 166) that Mrs. Oswald B. Lord, the U.S. representative on the United Nations Commission on Human Rights, will head the U.S. Delegation to the 11th session of the Commission, which is scheduled to meet at Geneva, Switzerland, from April 5 to April 30.

Philip Halpern, Associate Justice of the Appellate Division of the Supreme Court of New York State, will serve as principal adviser. Additional advisers will be James F. Green, Office of International Economic and Social Affairs, and Warren E. Hewitt, Office of the Legal Adviser, Department of State.

Among the 20 items on the provisional agenda for the 11th session of the Commission is one on "Development of the work of the United Nations for wider observance of, and respect for, human rights and fundamental freedoms throughout the world." This item is of particular interest to the United States, since under it three draft resolutions proposed by the U.S. representative at the 1953 session of the Commission will be considered. These three draft resolutions provide for the preparation of biennial reports by member states on progress achieved on human rights, for the initiation of a series of studies on specific aspects of human rights on a worldwide basis, and for technical assistance in the field of human rights.

Another subject that will be of considerable interest at the meeting will be the study of principles of self-determination.

Current U.N. Documents: A Selected Bibliography¹

Security Council

Letter Dated 11 October 1954 from the Representative of the United States of America Addressed to the President of the Security Council. S/3304, October 12, 1954. 15 pp. mimeo.

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

Report by the Chief of Staff of the Truce Supervision Organization to the Secretary-General on the Incidents Between Egypt and Israel, Particularly in the Area of the Gaza Strip. S/3319, November 16, 1954. 20 pp. mimeo.

Report by the Chief of Staff of the Truce Supervision Organization to the Secretary-General Concerning the SS. *Bat Galim*. S/3323, November 29, 1954. 17 pp. mimeo.

Letter Dated 30 November 1954 from the Representative of Israel Addressed to the President of the Security Council. S/3325, December 1, 1954. 1 p. mimeo.

Letter Dated 14 December 1954 from the Permanent Representative of Syria to the United Nations, Addressed to the President of the Security Council. S/3330, December 14, 1954. 1 p. mimeo.

Letter Dated 5 January 1955 from the Representative of Saudi Arabia Addressed to the President of the Security Council. S/3341, January 5, 1955. 3 pp. mimeo.

Letter Dated 12 January 1955 from the Chairman of the Council of the Organization of American States Addressed to the Secretary-General. S/3345, January 15, 1955. 3 pp. mimeo.

Letter Dated 15 January 1955 from the Chairman of the Council of the Organization of American States Addressed to the Secretary-General. S/3347, January 17, 1955. 7 pp. mimeo.

Letter Dated 13 January 1955 from the Chairman of the Council of the Organization of American States Addressed to the Secretary-General. S/3348, January 18, 1955. 2 pp. mimeo.

Letter Dated 17 January 1955 from the Chairman of the Council of the Organization of American States Addressed to the Secretary-General. S/3349, January 18, 1955. 50 pp. mimeo.

TREATY INFORMATION

Current Actions

MULTILATERAL

War

Geneva convention relative to treatment of prisoners of war;

Geneva convention for amelioration of the condition of the wounded and sick in armed forces in the field;

Geneva convention for amelioration of the condition of wounded, sick and shipwrecked members of armed forces at sea;

Geneva convention relative to protection of civilian persons in time of war.

Dated at Geneva August 12, 1949. Entered into force October 21, 1950.¹

Ratification deposited: Finland, February 22, 1955.

Weather Stations

Agreement on North Atlantic Ocean Stations. Dated at Paris February 25, 1954.

Acceptances deposited: United Kingdom, February 1, 1955; Israel, February 8, 1955.

Entered into force: February 1, 1955.

¹ Not in force for the United States.

Agreement on Organization for Trade Cooperation and Amendments to General Agreement on Tariffs and Trade

DEPARTMENT ANNOUNCEMENT

Press release 155 dated March 21

Assistant Secretary of State Samuel C. Waugh on March 21 signed on behalf of the United States at Geneva, Switzerland, the documents incorporating the results of the review of the General Agreement on Tariffs and Trade (GATT).¹ The GATT is an international trade agreement adhered to by 34 countries.

The most important of the documents is an agreement establishing an Organization for Trade Cooperation to administer the GATT. Mr. Waugh's signature of the agreement was conditional on congressional approval of U.S. membership in the Organization.

In addition to the agreement establishing the OTC Mr. Waugh also signed several protocols amending the trade rules contained in the General Agreement itself. The Department is preparing and plans shortly to publish the texts of the amendments showing their relationship to the General Agreement on Tariffs and Trade.

The agreement on the Organization for Trade Cooperation is intended primarily to provide permanent arrangements for the administration of the GATT. The negotiation of the OTC agreement was a fulfillment of that part of the President's message to the Congress on March 30, 1954, in which he said the United States would seek the renegotiation of the GATT's organizational provisions and that he would submit them to the Congress for its approval.²

Under the new arrangements, functions formerly exercised jointly by the countries party to the agreement, in their informal periodic meetings, would be transferred to the Organization for Trade Cooperation. In addition, the Organiza-

tion would be empowered to sponsor international trade negotiations and to serve as an intergovernmental forum for the discussion and solution of other questions relating to international trade. The Organization's structure would include an assembly, consisting of all the countries party to the GATT.

There would also be an executive committee to which the assembly would delegate powers to handle problems arising between sessions of the assembly. Under the criteria for election to the executive committee, which will consist of 17 members, the United States is assured of a permanent seat on the committee.

The establishment of the OTC constitutes recognition by countries representing more than 80 percent of the world's trade that expansion of international trade requires cooperative international action to remove trade barriers. The creation of a permanent body to administer the GATT would also make possible the better enforcement of the trade rules protecting the more than 50,000 tariff concessions that have been negotiated and incorporated in the agreement. The OTC would also facilitate settlement of trade disputes which could give rise to international tensions in the free world.

Review of GATT

The Geneva Conference reaffirmed the basic objectives and obligations included in the GATT, including the principle of nondiscrimination in international trade. The general prohibition against the use of quantitative restrictions on imports was also confirmed.

One of the major achievements of the Conference was agreement to extend the assured life of the tariff concessions beyond June 30, 1955, the present expiration date. The assured life of the concessions would be extended to December 31, 1957. Provisions were also written into the agree-

¹ For a summary of the business session at the Geneva Conference, see BULLETIN of Mar. 21, 1955, p. 495.

² *Ibid.*, Apr. 19, 1954, p. 604.

ment for the future automatic continuance of the concessions for 3-year periods after December 31, 1957. Arrangements were made to allow in special circumstances the renegotiation of concessions during this period.

GATT provisions dealing with the restrictions which a country may impose in order to protect its monetary reserves are of particular interest to the United States because of its important export trade. Although the existing rules have proved to be generally satisfactory during the past 7 years, it was felt that they could be simplified and further strengthened in the light of the improvements that had taken place in the international payments position of many of the GATT countries. The changes made at Geneva were primarily in the direction of simplifying such rules and in improving procedures for their enforcement. It is now envisaged that shortly after the entry into force of the proposed GATT amendments a general review will be undertaken of all the import restrictions maintained by GATT countries to protect their international payments position. After this review the restrictions maintained by the economically developed countries would be scrutinized each year by the Organization. Those maintained by the economically underdeveloped countries would be reviewed biennially.

During these reviews the countries maintaining the restrictions would be required to justify their retention. It is expected that the provisions for regular examination will encourage the removal of restrictions as the international payments situation improves.

Balance-of-Payments Provisions

In connection with the review of the balance-of-payments provisions of the GATT, it was recognized that some countries might experience severe difficulties in certain of their industries or branches of agriculture if what they referred to as their "hard core" import controls were eliminated too abruptly. These are controls which, while originally imposed for balance-of-payments reasons, provided incidental protection to certain industries. Their sudden removal could create severe economic and social problems for particular countries. Accordingly, it was decided at Geneva that requests from these countries for a temporary waiver from the obligation to eliminate quantitative restrictions when the balance-of-payments

justification for them no longer existed would receive sympathetic consideration on a case-by-case basis. The waiver would be subject to conditions and limitations determined by the contracting parties, and the country receiving it would be required to eliminate its "hard core" restriction over a comparatively short period of time, not to exceed 5 years. The country receiving the waiver would also be required to report annually on the progress made toward such elimination.

By separate decision a waiver was granted which makes it possible for the United States to apply import restrictions required under section 22 of the Agricultural Adjustment Act, as amended, notwithstanding certain provisions of the agreement with which such restrictions may occasionally be in conflict. Under the terms of the waiver the United States will submit an annual report to the contracting parties of actions taken under the waiver.

It was recognized that flexibility in the agreement would be necessary to accommodate the desire of underdeveloped countries to promote their industrialization consistently with the GATT. The existing GATT article dealing with this problem was almost completely rewritten, and the result is a new article which would permit underdeveloped countries greater flexibility in modifying tariff rates and in imposing other restrictive measures when necessary for economic development. Provision was also made in this article for the Organization to assure that the interests of other GATT countries which might be affected by such actions were adequately safeguarded.

A resolution was passed recommending that countries endeavor to create conditions which would promote the flow of international capital between them, having regard in particular to the importance of providing for protection of existing and future investment, for avoiding double taxation, and for facilitating the transfer of earnings on foreign investments.

Attention was also directed to the problem of export subsidies. New provisions were formulated that would require GATT countries not to use export subsidies on primary products so as to obtain for themselves more than a fair share of world trade. In the field of nonprimary products no new or increased export subsidies would be permitted under the amended GATT, and a reexam-

ination of the problem would be held before the end of 1957 to determine whether existing export subsidies on nonprimary commodities could be abolished or whether the standstill could be extended for a further period. The present GATT provisions simply require countries to submit reports on their subsidies to the contracting parties.

A resolution was also adopted providing that any country party to the agreement which desires to dispose of agricultural surpluses should endeavor to avoid undue disruption of the world market in the commodities concerned. The resolution also recommends that countries disposing of such surpluses consult regarding their disposal with other principal suppliers of the commodities in order to contribute to the orderly liquidation of such surpluses. They also recommended that whenever practicable a GATT country desiring to liquidate a substantial quantity of strategic stock-piles should give advance notice of its intention to do so and consult with any other GATT country which considers itself to be substantially affected by the proposed liquidation.

The results of the GATT review reflect the achievement of the objectives which the United States had in the Conference. In accordance with the President's message to the Congress of March 30, 1954, there has emerged a more effective instrument for the development of a workable and mutually advantageous system of world trade. Substantial improvements have been made in the GATT, and a permanent organization to apply the GATT has been developed on the basis of the experience of the past 7 years. The Conference demonstrated once again the strong interest and desire which the United States and other countries have in dealing with their trade problems on a cooperative basis.

TEXT OF AGREEMENT ON ORGANIZATION FOR TRADE COOPERATION

PART I—GENERAL

Article 1—Establishment

The Organization for Trade Cooperation (hereinafter referred to as "the Organization") is hereby established to further, as provided for in the General Agreement and herein, the achievement of the purposes and objectives set forth in the General Agreement on Tariffs and Trade (herein referred to as "the General Agreement").

Article 2—Membership

The Members of the Organization shall be the contracting parties to the General Agreement. Governments which become or cease to be contracting parties to the General Agreement shall become or cease to be Members of the Organization. The Organization may, by a two-thirds majority of the votes cast, invite governments which are not or which cease to be contracting parties to the General Agreement to participate in such activities of the Organization and on such terms as it shall decide; *Provided* that in no case shall such participation involve the right to vote or to be counted in determining the fulfilment of the relevant voting requirements when the Organization is exercising any function relating directly to the General Agreement.

Article 3—Functions

(a) The Organization shall administer the General Agreement and generally facilitate the operation of that Agreement.

(b) In addition, the Organization shall have the following functions:

- (i) to facilitate intergovernmental consultations on questions relating to international trade;
- (ii) to sponsor international trade negotiations;
- (iii) to study questions of international trade and commercial policy and, where appropriate, make recommendations thereon;
- (iv) to collect, analyse and publish information and statistical data relating to international trade and commercial policy, due regard being paid to the activities in this field of other international bodies.

(c) The Organization shall, in carrying out these functions, endeavour to give full effect to the provisions of Article 1 of this Agreement.

(d) The Organization shall have no authority to amend the provisions of the General Agreement; no decision or other action of the Assembly or any subsidiary body of the Organization shall have the effect of imposing on a Member any new obligation which the Member has not specifically agreed to undertake.

PART II—STRUCTURE AND ADMINISTRATION OF THE ORGANIZATION

Article 4—Structure in General

The Organization shall have an Assembly, an Executive Committee and a Secretariat.

Article 5—The Assembly

(a) The Assembly shall consist of all the Members of the Organization.

(b) It shall be the responsibility of the Assembly to carry out the functions of the Organization.

(c) The Assembly shall determine the seat of the Organization.

(d) The Assembly shall meet in regular annual session and in such special sessions as may be convened in accordance with the rules of procedure.

(e) The Assembly shall establish its own rules of procedure and shall approve the rules of procedure of the Executive Committee and of any other subsidiary body.

Article 6—The Executive Committee

(a) The Executive Committee shall consist of seventeen Members of the Organization elected periodically by the Assembly. Each election shall be for a single term and each Member shall be eligible for re-election. In such elections, the Assembly shall be guided by the following criteria:

- (i) the Executive Committee shall include the five members of chief economic importance, in the determination of which particular regard shall be paid to their shares in international trade;
- (ii) the Executive Committee shall be representative of the broad geographical areas to which the Members belong;
- (iii) the Executive Committee shall be representative of different degrees of economic development, different types of economies and different economic interests.

(b) The Executive Committee shall exercise the powers and perform the duties assigned to it by the Assembly by a majority of two-thirds of the votes cast. Decisions or recommendations of the Executive Committee shall be subject to a right of appeal to the Assembly by any Member in accordance with rules to be prescribed by the Assembly.

(c) Any Member of the Organization which is not a member of the Executive Committee shall be entitled to participate, without the right to vote, in the discussion by the Executive Committee of any matter of concern to it.

Article 7—The Secretariat

(a) The Assembly shall appoint a Director-General as chief administrative officer of the Organization. The powers, duties, conditions of service and term of office of the Director-General shall conform to regulations approved by the Assembly.

(b) The Director-General or his representative shall be entitled to participate, without the right to vote, in all meetings of the Assembly and subsidiary bodies of the Organization.

(c) The Director-General shall appoint the members of the staff, and shall fix their duties and conditions of service in accordance with regulations approved by the Assembly.

(d) The selection of the members of the staff shall as far as possible be made on a wide geographical basis and with due regard to the various types of economy represented by Member countries. The paramount consideration in the selection of candidates and in determining the conditions of service of the staff shall be the necessity of securing the highest standards of efficiency, competence, impartiality and integrity.

(e) The responsibilities of the Director-General and of the members of the staff shall be exclusively international in character. In the discharge of their duties, they shall not seek or receive instructions from any government or from any other authority external to the Organization.

They shall refrain from any action which might reflect on their positions as international officials. The Members shall respect the international character of the responsibilities of these persons and shall not seek to influence them in the discharge of their duties.

Article 8—Voting

(a) At meetings of the Assembly each Member of the Organization shall be entitled to have one vote and, except as otherwise provided for in the General Agreement or in this Agreement, decisions of the Assembly shall be taken by a majority of the votes cast.

(b) Each member of the Executive Committee and of other subsidiary bodies shall have one vote therein; *Provided* that the rules of procedure may require that parties to a dispute shall abstain from voting.

Article 9—Budget and Contributions

(a) The Director-General shall present to the Assembly, through the Executive Committee, the annual budget estimates and financial statement of the Organization. The Assembly shall approve the accounts and the budget.

(b) The Assembly shall apportion the expenditures of the Organization among the Members, in accordance with a scale of contributions to be fixed by the Assembly, and each Member shall contribute promptly to the Organization its share of these expenditures.

(c) If a Member is in arrears in the payment of its contributions by an amount which equals or exceeds the amount of contributions due from it in respect of the preceding two completed financial years, the Member shall have no vote, and shall not be counted in the determining of the fulfilment of the relevant voting requirements, in the organs of the Organization. If the Assembly is satisfied that the failure to pay is due to circumstances beyond the control of the Member, it may, nevertheless, permit such a Member to vote, and then such Member shall be counted accordingly.

Article 10—Status

(a) The Organization shall have legal personality.

(b) The Organization shall enjoy in the territory of each of the Members such legal capacity, privileges and immunities as may be necessary for the exercise of its functions.

(c) The representatives of the Members, and the officials of the Organization shall similarly enjoy such privileges and immunities as may be necessary for the independent exercise of their functions in connexion with the Organization.

(d) The privileges and immunities to be accorded by a Member to the Organization, to its officials and to the representatives of its Members shall be similar to those accorded by that Member to specialized agencies of the United Nations, to their officials and to the representatives of their members, under the Convention on the Privileges and Immunities of the Specialized Agencies, or under similar arrangements.

Article 11—Relations with other Organizations

(a) The Organization shall make arrangements with intergovernmental bodies and agencies which have related responsibilities to provide for effective cooperation and

the avoidance of unnecessary duplication of activities.

(b) In pursuance of the provisions of the preceding paragraph, the Organization may, by an agreement approved by the Assembly, be brought into relationship with the United Nations, as one of the specialized agencies referred to in Article 57 of the Charter of the United Nations.

(c) The Organization may make suitable arrangements for consultation and cooperation with non-governmental organizations concerned with matters within the scope of the Organization.

PART III—SPECIAL PROVISIONS RELATING TO THE ADMINISTRATION OF THE GENERAL AGREEMENT

Article 12—Administration in General

The Organization shall give effect to those provisions of the General Agreement which provide for action by the Organization, and shall carry out such other activities in relation to the General Agreement which involve joint action. This shall include the taking of decisions, the sponsorship of negotiations and consultations, the conduct of studies, the circulation of proposals and the receipt of reports, in any case in which such action is required or appropriate to carry out the purposes of the General Agreement.

Article 13—Waivers in Exceptional Circumstances

In exceptional circumstances, not elsewhere provided for in this Agreement, nor provided for in the General Agreement, the Assembly may waive an obligation imposed upon a contracting party by the General Agreement; *Provided* that any such decision shall be approved by a two-thirds majority of the votes cast and that such majority shall comprise more than half of the Members. The Assembly may also by such a vote (i) define certain categories of exceptional circumstances to which other voting requirements shall apply for the waiver of obligations imposed by the General Agreement upon a contracting party thereto, and (ii) prescribe such criteria as may be necessary for the application of this Article.

Article 14—Nullification and Impairment

(a) If a claim that a benefit accruing directly or indirectly under the General Agreement is being nullified or impaired, or that the attainment of any objective of that Agreement is being impeded, is referred to the Organization in accordance with the provisions of that Agreement, the Organization shall promptly investigate the matter and shall make appropriate recommendations to the contracting parties to the General Agreement which it considers to be concerned, or give a ruling on the matter, as appropriate. The Organization may consult with contracting parties, with the Economic and Social Council of the United Nations, and with any appropriate intergovernmental organization in cases where it considers such consultation necessary.

(b) If the Organization considers that the circumstances are serious enough to justify such action, it may authorize a contracting party or parties to suspend the application to any other contracting party or parties of such concessions or other obligations under the General

Agreement as it determines to be appropriate in the circumstances. If the application to any contracting party of any concession or other obligation is in fact suspended, that contracting party shall then be free, not later than sixty days after such action is taken, to give written notice to the Director-General of the Organization of its intention to withdraw from the General Agreement and such withdrawal shall take effect on the sixtieth day following the day on which such notice is received by him.

Article 15—Continued Application of Provisions of this Part

The Members shall not, acting as contracting parties to the General Agreement, amend the General Agreement so as to provide therein for procedures, other than consultation, negotiation or recommendation, applicable to the general situations to which Articles 13 and 14 relate.

PART IV—OTHER PROVISIONS

Article 16—Amendments

Amendments to this Agreement shall become effective, in respect of those Members which accept them, upon acceptance by two-thirds of the Members of the Organization and thereafter in respect of each other Member upon acceptance by it.

Article 17—Entry into Force

(a) This Agreement shall be deposited, subject to the provisions of Article 21, with the Director-General of the Organization.

(b) This Agreement shall be opened at Geneva on 10 March 1955 for acceptance, by signature or otherwise, by contracting parties to the General Agreement and by any other government which has, in accordance with such rules of procedure as may be established by the Organization, notified the Director-General of its intention to accede.

(c) Without prejudice to the principle laid down in Article 2, this Agreement shall enter into force, as among those governments which are then contracting parties to the General Agreement and which have accepted this Agreement, on the thirtieth day following the day on which it has been accepted by governments named in the Annex to this Agreement the territories of which account for 85 per centum of the total external trade of the territories of such governments, computed in accordance with the appropriate column of percentage set forth therein. This Agreement shall enter into force for each other government which is a contracting party to the General Agreement on the thirtieth day following the day on which it has been accepted thereby. It shall enter into force for each other government which has accepted it when such government accedes to the General Agreement.

Article 18—Notification and Registration

(a) The Director-General of the Organization shall promptly furnish a certified copy of this Agreement and a notification of its entry into force, and of each acceptance thereof, to each contracting party to the General Agreement.

(b) This Agreement shall be registered in accordance

with the provisions of Article 102 of the Charter of the United Nations.

PART V—TRANSITIONAL PROVISIONS

Article 19—Relation to Amendments to the General Agreement

If this Agreement enters into force before the entry into force of amendments to the General Agreement contained in the Protocol of Organizational Amendments to the General Agreement on Tariffs and Trade dated 10 March 1955, this Agreement shall, until the entry into force of such amendments, be applied as if all references in the General Agreement to "the CONTRACTING PARTIES" were references to the Organization.

Article 20—Provisional Application

Without prejudice to the principle laid down in Article 2, if by 15 November 1955 this Agreement shall not have entered into force pursuant to paragraph (c) of Article 17, those governments, being contracting parties to the General Agreement, which are prepared to do so may nevertheless decide to apply it; *Provided* that the territories of such governments account for the percentage of trade required for the entry into force of this Agreement under paragraph (c) of Article 17.

Article 21—Temporary Exercise of Depositary Functions

Pending the entry into force of this Agreement, the title "Director-General of the Organization" in paragraph (b) of Article 14, paragraphs (a) and (b) of Article 17 and paragraph (a) of Article 18, shall read "Executive Secretary to the CONTRACTING PARTIES to the General Agreement".

IN WITNESS WHEREOF the respective representatives, duly authorized to that effect, have signed the present Agreement.

DONE at Geneva, in a single copy, in the English and French languages, both texts authentic, this tenth day of March,* one thousand nine hundred and fifty-five.

ANNEX—PERCENTAGE SHARES OF TOTAL EXTERNAL TRADE TO BE USED FOR THE PURPOSE OF MAKING THE DETERMINATION REFERRED TO IN ARTICLE 17

(based on the average of 1949–1953)

If, prior to the accession of the Government of Japan to the General Agreement, the present Agreement has been accepted by contracting parties the external trade of which under column I accounts for the percentage of such trade specified in paragraph (c) of Article 17, column I shall be applicable for the purposes of that paragraph. If the present Agreement has not been so accepted prior to the accession of the Government of Japan, column II shall be applicable for the purposes of that paragraph.

*This document signed by the United States *ad referendum* on March 21, 1955.

	Column I (Contracting parties on 1 March 1955)	Column II (Contracting parties on 1 March 1955 and Japan)
Australia.....	3.1	3.0
Austria.....	0.9	0.8
Belgium-Luxemburg.....	4.3	4.2
Brazil.....	2.5	2.4
Burma.....	0.3	0.3
Canada.....	6.7	6.5
Ceylon.....	0.5	0.5
Chile.....	0.6	0.6
Cuba.....	1.1	1.1
Czechoslovakia.....	1.4	1.4
Denmark.....	1.4	1.4
Dominican Republic.....	0.1	0.1
Finland.....	1.0	1.0
France.....	8.7	8.5
Germany, Federal Republic of.....	5.3	5.2
Greece.....	0.4	0.4
Haiti.....	0.1	0.1
India.....	2.4	2.4
Indonesia.....	1.3	1.3
Italy.....	2.9	2.8
Netherlands, Kingdom of the.....	4.7	4.6
New Zealand.....	1.0	1.0
Nicaragua.....	0.1	0.1
Norway.....	1.1	1.1
Pakistan.....	0.9	0.8
Peru.....	0.4	0.4
Rhodesia and Nyasaland.....	0.6	0.6
Sweden.....	2.5	2.4
Turkey.....	0.6	0.6
Union of South Africa.....	1.8	1.8
United Kingdom.....	20.3	19.8
United States of America.....	20.6	20.1
Uruguay.....	0.4	0.4
Japan.....		2.3
	100.0	100.0

NOTE: These percentages have been computed taking into account the trade of all territories in respect of which the General Agreement on Tariffs and Trade is applied.

FOREIGN SERVICE

Confirmations

The Senate on March 22 confirmed Homer Ferguson to be Ambassador to the Republic of the Philippines.

The Senate on March 23 confirmed Ellis O. Briggs to be Ambassador to Peru.

The Senate on March 23 confirmed William S. B. Lacy to be Ambassador to the Republic of Korea.

Agriculture. Barter Authority Under Agricultural Trade Act (text of memorandum)	569
Atomic Energy. Man's Benefits From the Atom (Patterson)	553
Australia	
Visit of Prime Minister Menzies of Australia (Murphy, Menzies)	559
World Bank Announces Loan of \$54.5 Million to Australia	562
Cambodia. FOA Aid to Viet-Nam, Cambodia, and Laos	569
Canada. Regulating Water Levels on Lake Ontario (joint statement)	563
China	
An Estimate of Chinese Communist Intentions (Dulles)	551
Supreme Court Decision on Sovereign Immunity	557
Communism. An Estimate of Chinese Communist Intentions (Dulles)	551
Congress, The	
Current Legislation	573
Need for Extending Trade Agreements Act (Dulles)	572
Economic Affairs	
Agreement on Organization for Trade Cooperation and Amendments to General Agreement on Tariffs and Trade (text of agreement)	577
Barter Authority Under Agricultural Trade Act (text of memorandum)	569
Department's Views on ECE Oil Study	558
Need for Extending Trade Agreements Act (Dulles)	572
Supreme Court Decision on Sovereign Immunity	557
World Bank Announces Loan of \$54.5 Million to Australia	562
Educational Exchange. Man's Benefits From the Atom (Patterson)	553
Europe. Department's Views on ECE Oil Study	558
Foreign Service. Confirmations (Briggs, Ferguson, Lacy)	582
Hungary. Bonds of Sympathy Between U.S. and Hungarian People (Hoover)	558
International Organizations and Meetings	
Calendar of Meetings	574
U.S. Delegation to U.N. Commission on Human Rights	576
Military Affairs	
London Discussions on Disarmament (Dulles)	557
Special Assistant to the President for Developing Disarmament Policy (Eisenhower)	556
Mutual Security	
FOA Aid to Viet-Nam, Cambodia, and Laos	569
Middle East Defense (Jernegan)	564
Near East. Middle East Defense (Jernegan)	564
Presidential Documents. Special Assistant to the President for Developing Disarmament Policy	556
Treaty Information	
Agreement on Organization for Trade Cooperation and Amendments to General Agreement on Tariffs and Trade (text of agreement)	577
Current Actions	576

United Nations	
Current Documents	576
Department's Views on ECE Oil Study	558
London Discussions on Disarmament (Dulles)	557
U.S. Delegation to U.N. Commission on Human Rights	576
Viet-Nam. FOA Aid to Viet-Nam, Cambodia, and Laos	569

Name Index

Briggs, Ellis O.	582
Dulles, Secretary	551, 557, 572
Eisenhower, President	558
Ferguson, Homer	582
Hoover, Herbert, Jr.	558
Jernegan, John D.	564
Lacy, William S. B.	582
Menzies, Robert G.	560
Murphy, Robert	559
Patterson, Morehead	553
Rankin, J. Lee	569
Stassen, Harold E.	556

Check List of Department of State Press Releases: March 21-27

Releases may be obtained from the News Division, Department of State, Washington 25, D. C.

Press releases issued prior to March 21 which appear in this issue of the BULLETIN are Nos. 125 of March 5, 144 of Mar. 14, and 152 of Mar. 18.

No.	Date	Subject
155	3/21	Organization for Trade Cooperation and GATT amendments.
†156	3/21	Note to U.N. on calendar reform.
*157	3/21	Educational exchange.
158	3/22	Dulles: Stassen appointment.
†159	3/22	Luce: "American Diplomacy at Work."
*160	3/23	Scelba itinerary.
*161	3/23	Conference on Foreign Service.
†162	3/23	Second report of Wriston Committee.
*163	3/24	Educational exchange.
*164	3/24	Satterthwaite nomination.
*165	3/24	Educational exchange.
166	3/24	Delegation to Human Rights Commission.
*167	3/24	Jacobs nomination.

*Not printed.

† Held for a later issue of the BULLETIN.

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Our casual use of the word "American" when we mean "United States" leads us to forget that most "Americans" live outside our 48 States in other parts of the Western Hemisphere. Whether we call them Nicaraguans, Canadians, Brazilians, Cubans, or any other national name, they are all "Americans" in the true sense of the word.

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